The Accounts Commission for Scotland

Agenda

**Meeting on Thursday 10 November 2011,
in the offices of Audit Scotland, 18 George Street, Edinburgh**

The meeting will begin at 10:00 am

1. **Apologies for absence**

2. **Declarations of interest**

3. **Decisions on taking business in private:** The Commission will consider whether to take items 13 and 14 in private.

4. **Minutes of meeting of 13 October 2011**

5. **Chair's introduction:** The Chair will report on recent activity and issues of interest to the Commission.

6. **Update report by the Controller of Audit:** The Commission will consider a report from the Controller of Audit on significant recent activity in relation to the audit of local government.

7. **Briefing: Clyde Valley shared services proposal:** The Commission will consider a report by the Director of Audit Services.

8. **Briefing: shared risk assessment refresh process 2012/13:** The Commission will consider a report by the Director of Best Value and Scrutiny Improvement.

9. **Performance audit rolling programme – update:** The Commission will consider a report by the Director of Performance Audit

10. **Statutory performance information:** The Commission will consider a report by the Director of Best Value and Scrutiny Improvement on data provided by local authorities for the 2010-11 financial year and on issues arising in relation to the future approach to statutory performance information.

11. **Best Value audit of Fire and Rescue services – update on audit programme:** The Commission will consider a report by the Controller of Audit.

12. **Best Value audit and inspection - Lothian and Borders Police and Police Board:** The Commission will consider a joint report by the Controller of Audit and Her Majesty's Inspectorate of Constabulary for Scotland.

13. **Best Value audit – Comhairle nan Eilean Siar:** The Commission will consider a report by the Controller of Audit.

14. **Best Value audit and inspection - Lothian and Borders Police and Police Board:** The Commission will consider the action it wishes to take on the report.

15. **Best Value audit – Comhairle nan Eilean Siar:** The Commission will consider the action it wishes to take on the report.

The following papers are enclosed for this meeting:

Agenda Item	Paper number
Agenda Item 4: Minutes of the meeting of the Commission of 13 October 2011	AC.2011.11.1
Agenda Item 6: Update report by the Controller of Audit	AC.2011.11.2
Agenda Item 7: Report by the Director of Audit Services	AC.2011.11.3
Agenda Item 8: Report by the Director of Best Value and Scrutiny Improvement	AC.2011.11.4
Agenda Item 9: Report by the Director of Performance Audit	AC.2011.11.5
Agenda Item 10: Report by the Director of Best Value and Scrutiny Improvement	AC.2011.11.6
Agenda Item 11: Report by the Controller of Audit	AC.2011.11.7
Agenda Item 12: Cover note by Secretary and Business Manager	AC.2011.11.8
Joint report by the Controller of Audit and Her Majesty's Inspectorate of Constabulary for Scotland	AC.2011.11.9
Agenda Item 13: Cover note by Secretary and Business Manager	AC.2011.11.10
Report by the Controller of Audit	AC.2011.11.11

ACCOUNTS COMMISSION

MEETING 10 NOVEMBER 2011

MINUTES OF PREVIOUS MEETING
_____

Minutes of the meeting of the Accounts Commission held in the offices of Audit Scotland at 18 George Street, Edinburgh, on Thursday, 13 October 2011, at 10am

PRESENT: John Baillie (Chair)
             Michael Ash
             Alan Campbell
             Sandy Cumming
             Colin Duncan
             James King
             Bill McQueen
             Christine May
             Linda Pollock
             Graham Sharp
             Douglas Sinclair

IN ATTENDANCE: Fraser McKinlay, Controller of Audit and Director of Best Value and Scrutiny Improvement
             Fiona Kordiak, Director of Audit Services
             Paul Reilly, Secretary and Business Manager
             Russell Frith, Assistant Auditor General [Items 14 and 17]
             Antony Clark, Assistant Director, Best Value and Scrutiny Improvement [Items 15 and 16]
             Ronnie Nicol, Assistant Director, Performance Audit Group [Item 4]
             Martin Walker, Assistant Director, Best Value and Scrutiny Improvement [Items 15 and 16]
             Michael Oliphant, Project Manager, Performance Audit Group [Item 11]

Item No	Subject
1.	Apologies for absence
2.	Declarations of interest
3.	Decisions on taking business in private
4.	Minutes of meeting of 8 September 2011
5.	Minutes of the meeting of the Performance Audit Committee of 1 September 2011
6.	Minutes of the meeting of the Financial Audit and Assurance Committee of 15 September 2011
7.	Chair's introduction
8.	Update report by the Controller of Audit
9.	Scottish Government consultations on the future of police and fire and rescue services in Scotland
10.	Report of the Christie Commission and the response of the Scottish Government
11.	Scottish Spending Review 2011 and Draft Budget 2012-13
12.	Supporting improvement and accountability within Community Planning Partnerships

_____

1.   Apologies for absence

   Apologies for absence were received from Colin Peebles.

2.   Declarations of interest

   Jim King declared an interest in Items 15 and 16 as a member of the Board of NHS
   Forth Valley.

3.   Decisions on taking business in private

   It was proposed that items 9, 16, 17 and part of 18 should be taken in private to allow
   deliberations on: how the Commission should respond to the Scottish government
   consultations on the future of police and fire and rescue services in Scotland (item 9);
   actions arising from its consideration of the Controller of Audit's report on Stirling
   Council (Item 16); issues associated with audit fees for 2011/12 (item 17); and the
   Controller of Audit position (item 18).

4.   Minutes of meetings of 8 September 2011

   The minutes of the meeting of 8 September 2011 were submitted and approved.

   In relation to item 7 of the minutes (Performance audit programme), advice from the
   Assistant Director, Performance Audit Group was noted that there had been some
   minor revisions to the programme, which would be reported to the next meeting of
   the Performance Audit Committee.

5.   Minutes of the meeting of the Performance Audit Committee of 1 September 2011

   The minutes of the meeting of the Performance Audit Committee of 1September 2011
   were noted.

6.   Minutes of the meeting of the Financial Audit and Assurance Committee of 15
   September 2011

   The minutes of the meeting of the Financial Audit and Assurance Committee of 15
   September 2011 were noted.

7.   Chair's introduction

   The Chair reported that:

   • On 8 September he attended a meeting with senior civil servants to
     introduce them to new Accounts Commission members Alan Campbell and
     Sandy Cumming

- On 9 September he attended a meeting with Pat Watters, President, and Rory Mair, Chief Executive, COSLA, along with Douglas Sinclair, Fraser McKinlay and Gordon Smail to discuss matters of mutual interest
- On 16 September he attended a meeting with Strathclyde Police Authority in Glasgow along with Andrew Laing, Her Majesty's Inspector of Constabulary for Scotland; Mike Ash; Colin Peebles; Paul Reilly; and Lesley McGiffen to discuss the Best Value audit of the authority
- On 22 September he chaired a workshop: *Moving forward scrutiny improvement*, involving scrutiny partners on the strategic scrutiny group, scrutiny operational group, Scottish Government executives and Audit Scotland personnel, held at COSLA's offices
- On 28 September Christine May and Graham Sharp represented the Accounts Commission at a meeting to discuss and plan for the new round of audit appointments starting from this month, a note of which had been circulated to Commission members
- On 29 September he attended a meeting of the Audit Scotland Board and a meeting of audit partners
- The Cabinet Secretary for Finance, Employment and Sustainable Growth had agreed to the proposal that Fraser McKinlay continue in the role of Controller of Audit until end February 2012
- The Cabinet Secretary for Finance, Employment and Sustainable Growth had approved the reappointment of Mike Ash and Bill McQueen for a further period of 3 years

Following discussion, the Commission agreed:

- To note that the Director of Best Value and Scrutiny Improvement would ensure that representatives of Healthcare Improvement Scotland, who were unable to be present at the workshop on 22 September, were informed about its outputs

- That further consideration be given to more involvement by the Commission at audit planning events such as that on 28 September

- That the Controller of Audit investigate ways of providing members with more networking opportunities with external interests and with Audit Scotland staff, and to discuss his findings with the Chair.

(Action: Controller of Audit)

8. <u>Update report by the Controller of Audit</u>

The Commission considered a report by the Controller of Audit providing an update on significant recent activity in relation to the audit of local government.

Following discussion, the Commission:

- Noted the report

- Noted that the reference in the report to the Welsh Programme for Government is inaccurate, in that the correct position is that the Wales Audit Office Bill will establish the Wales Audit Office (WAO) as a body corporate with a majority of non-executive members appointed by public appointments procedures; and will establish the Auditor General Wales as the Accounting

Officer for and Chief Executive of the WAO and whose terms and conditions of service will be set by the Assembly on the recommendation of the Public Accounts Committee, independent of the Welsh Government

- Noted that the Controller of Audit will provide a report to its December meeting on progress made by Shetland Islands Council since the public hearing in June 2010, and issues arising from the 2011/12 audit of the Council

- Agreed that the Controller of Audit provide a report on the positioning of statutory officers in all 32 council management structures.

(Action: Controller of Audit)

9.   Scottish Government consultations on the future of police and fire and rescue services in Scotland (in private)

The Commission considered a report by the Director of Best Value and Scrutiny Improvement advising of the Scottish Government's consultation on its proposals to establish a single police force and a single fire and rescue service in Scotland, and proposing whether the Commission should respond.

The Commission agreed to consider the report in private given the potential implications of the proposals on its work.

Following discussion the Commission agreed:

- That it would submit a response to the consultation

- That the Director of Best Value and Scrutiny Improvement compose a response incorporating points raised during discussion

- That the draft response be shared with members for comment

- That it be remitted to the Chair and Deputy Chair to agree the response on behalf of the Commission.

10.   Report of the Christie Commission and the response of the Scottish Government

The Commission considered a report by the Secretary and Business Manager giving an overview of the findings of the Commission on the Future Delivery of Public Services (the Christie Commission) and the Scottish Government's recent response.

Following discussion the Commission agreed:

- To note the report

- That the Performance Audit Committee consider the effect of the Scottish Government's response to the Christie Commission, particularly the four 'pillars' of its reform agenda, on the performance audit programme

(Action: Secretary and Business Manager)

- To note that the Director of Performance Audit would monitor progress in relation to the proposed introduction of three new 'change funds' and a Scottish Future Fund, particularly in relation to any impact on the performance audit programme.

11.   Scottish Spending Review 2011 and Draft Budget 2012-13

The Commission considered a report by the Secretary and Business Manager providing background to the Scottish Government's Spending Review 2011 and draft budget 2012-13.

The Commission:

- Noted that the deflators used in the report for calculation of 'real term' spending were the same as those used by the UK and Scottish governments

- Noted that it would consider its Local Government Overview Report 2011 later in the year with a view to its publication in the New Year.

Following discussion, the Commission:

- Agreed that the Director of Performance Audit and Controller of Audit provide more detail of the total proposed and projected local government spend in each year over the spending review period

- Agreed that the Director of Performance Audit clarify how non-domestic rate income is distributed amongst local authorities

- Noted the report.

(Actions: Director of Performance Audit and Controller of Audit)

12.   Supporting improvement and accountability within Community Planning Partnerships

The Commission considered an update report by the Secretary and Business Manager on the Scottish Government's request to the Accounts Commission to lead development work on preparing a case for how external audit and inspection may support the delivery of better outcomes by Community Planning Partnerships.

During discussion, the Commission noted that:

- A working assumption in relation to development and pilot work is that this would be done using existing, rather than newly identified or additional, resources

- To this end, the Director of BVSI would continue to monitor the possible impact of development work and proposals on existing Audit Scotland resources, including current audit work

- Further consideration is currently being given to a timetable for pilot and development work, including the need to align with ongoing Care Inspectorate development work on the integrated inspection of children's services

- The Commission would give further consideration to proposals for pilot sites

- The Controller of Audit would continue to update the Commission on progress as appropriate.

Thereafter the Commission agreed to note the report.

13. Accounts Commission meeting dates 2012

The Commission considered a proposed schedule of meeting dates for 2012 from the Secretary and Business Manager.

The Commission agreed to adopt the meeting dates as proposed.

14. Appointment as auditors of local authority charities

The Commission considered a paper by the Assistant Auditor General seeking approval to appoint Audit Scotland staff as auditors of certain local authority charities.

During discussion, the Commission noted that the proposal will have some but manageable impact on existing resources.

Thereafter the Commission agreed:

- to approve the appointment of those members of staff of Audit Scotland appointed by the Commission to be the auditor of a local authority in Scotland or to assist that auditor by signing the audit report on the financial statements to be the auditor - under paragraph 10 of the Charities Accounts (Scotland) Regulations 2006 - of any charity connected to that authority by virtue of section 106 of the Local Government (Scotland) Act 1973.

- that this approval apply to audits for the 2010/11 financial year and subsequent years.

15. Best Value audit: Stirling Council

The Commission considered a report by the Secretary and Business Manager introducing the Best Value audit report on Stirling Council and seeking a recommendation on how to proceed.

During discussion, the Commission:

- sought clarification and further explanation from the Controller of Audit and the audit team on a number of points in the report

- noted advice from the Controller of Audit that he would review during 2012 the distribution of performance judgements in published Best Value audit reports.

16. <u>Best Value audit: Stirling Council (in private)</u>

The Commission agreed that this item be held in private to allow it to consider actions in relation to its findings.

Following discussion, the Commission agreed to make findings as contained in the report to be published on 10 November 2011.

17. <u>Audit Scotland budget for 2012/13 and charges for 2011/12 audits (in private)</u>

The Commission agreed that this item be held in private to allow it to consider issues in the paper associated with audit fees.

The Commission considered a report by the Assistant Auditor General on Audit Scotland's budget and invited the Commission to agree to the proposed audit charges for the 2011/12 audits.

Following discussion, the Commission:

- approved the charging proposals for 2011/12

- noted the provisional proposals for the next audit year

- agreed that the Assistant Auditor General liaise with local authority directors of finance to discuss the principles behind the fee strategy and the proposed approach to charging.

(Action: Assistant Auditor General)

18. <u>Any other business (partly in private)</u>

(a) Caroline Gardner

The Commission noted that Caroline Gardner (previous Controller of Audit) had advised that she is to resign from Audit Scotland at the end of 2011, following her period of secondment. The Commission thanked her for her work with the Commission in the past, and wished her well for the future.

(b) Controller of Audit (in private)

The Commission then discussed the possible processes for the appointment of a new Controller of Audit. It agreed that this be done in private to allow it to discuss actions in relation to recruitment. It agreed to give the matter further consideration at a later date.

(c) Public Audit Committee

The Commission agreed the terms of a response to an invitation from the Convenor of the Public Audit Committee of the Scottish Parliament for the Commission to attend sessions of the Committee.

ACCOUNTS COMMISSION

MEETING 11 NOVEMBER 2011

REPORT BY THE CONTROLLER OF AUDIT

UPDATE REPORT

Introduction

1. The purpose of this regular report is to provide an update to the Commission on significant recent activity in relation to the audit of local government.

2. It is intended to complement the intelligence reports to the Financial Audit and Assurance Committee, which provide a more detailed update on issues arising in local government. The most recent such report was at the Committee meeting of 15 September.

Local government issues

3. The accounts for all 32 councils and the 45 other local authorities (including joint boards) have been audited and signed by the deadline of 30 September. Auditors have now prepared their annual audit reports and these have been submitted to me and elected members. I am currently considering whether there are any issues in those reports which should be brought to the Accounts Commission's attention through a statutory report. The annual audit reports also form a central part of the evidence base for the Local Government Overview report.

4. As I reported to the Commission at the last meeting, Shetland Islands Council remains the only council in Scotland to have their accounts qualified. In December I will be bringing a report to the Commission to provide an update on the progress the council has made on its improvement plan following the public hearing last year and on the qualification to the accounts.

5. There continues to be changes to the senior officers positions in councils and there has been a number of recent appointments and on-going recruitment exercises including:

   - Scottish Borders – has appointed a new Chief Executive, previously the Director of Resources
   - Orkney Islands Council – has appointed to the posts of Executive Director - Education, Leisure and Housing, and Executive Director - Corporate Services and has advertised for the post of Executive Director of Development and Infrastructure
   - West Dunbartonshire- is recruiting to the post of Executive Director of Corporate Services

6. At a City of Edinburgh Council meeting on 27th October councillors deferred a decision on the future of Environment services (the 'alternative business model') until the next council meeting due to be held on Thursday 24 November.

Parliamentary news /

Parliamentary news

7. At its meeting on 5 October 2011, the Parliament's Public Audit Committee took evidence on the joint Accounts Commission and Auditor General for Scotland report "Modernising the planning system" (which the Commission approved at its meeting on 14 July 2011). It also received a briefing from the Commission's Deputy Chair on the Commission report "How councils work: an improvement series for councillors and officers - arm's-length external organisations (ALEOs): are you getting it right?" (which the Commission approved at its meeting on 19 May 2011).

8. At its subsequent meeting on 26 October 2011, the Committee noted correspondence from the Scottish Government and Convention of Scottish Local Authorities on the joint Auditor General for Scotland and Accounts Commission report entitled "Transport for health and social care" (which the Commission agreed at its meeting on 19 May 2011) and agreed to refer the correspondence to the Health and Sport Committee.

Other issues

9. At its October meeting the Commission received a detailed update report on progress made in taking forward the Scottish Government's request to the Accounts Commission to lead development work on preparing a case for how external audit and inspection may support the delivery of better outcomes by Community Planning Partnerships (CPPs). Work is currently on-going to prepare the detailed Project Initiation Document (PID) for this piece of work. The PID will form the basis for discussions with scrutiny partners, COSLA, SOLACE and other stakeholders on the next steps for taking forward this work.

10. The Cabinet Secretary for Justice has written all police officers stating that current place of work and employment conditions will not change when the single force comes into being in 2014.

Conclusion

11. The Commission is invited to consider and note this report.

Fraser McKinlay
Controller of Audit
2 November 2011

ACCOUNTS COMMISSION

MEETING 10 NOVEMBER 2011

REPORT BY DIRECTOR OF AUDIT SERVICES

BRIEFING: CLYDE VALLEY SHARED SERVICES PROPOSALS

Purpose

1. The purpose of this paper is to brief the Commission on the current position relating to the Clyde Valley Shared Services proposals.

Background

2. A high profile review of shared services across the Clyde Valley by Sir John Arbuthnott set out a "road map" for the eight Clyde Valley authorities (East Dunbartonshire, West Dunbartonshire, North Lanarkshire, South Lanarkshire, Renfrewshire, East Renfrewshire, Glasgow, Inverclyde) to move to a model of integrated service delivery in certain key areas over a five year period. Its recommendations included:

    *   Closer working between local authorities and health boards to create an integrated health and community care service in each local authority area

    *   An integrated approach to waste management

    *   A single social transport solution

    *   A joint and streamlined approach to fleet management and maintenance

    *   A shared roads maintenance programme

    *   Property sharing and management in local hubs

    *   A joint approach to "back office" services

    *   Joint workforce planning

    *   A common charging framework

3. In October 2010, the eight Clyde Valley councils announced that they were planning to share services in waste management, transport, health and social care, and support services. The expectation was to find savings of between 10% and 20%. The proposals include:

    *   Social Transport – fleet sharing and the creation of a "single shared transport service"

    *   Integrated Health and Social Care – developing telehealth initiatives; improving commissioning across children's and adults' services; pooling training.

    *   Waste Management – sharing use of a new waste treatment facility; joint recycling arrangements; looking at government funding for a Clyde Valley-wide solution for general, non-recyclable waste.

    *   Support Services – bringing together HR, payroll, finance, ICT and "customer engagement functions"

Social Transport

4. Glasgow City Council is the lead authority for the social transport work stream. Progress has been limited largely to a data gathering exercise by Glasgow City Council and Strathclyde Passenger Transport which will be analysed to identify trends and

opportunities for the provision of shared cost effective service in the areas of children and adults with special needs. The council has also agreed to explore the opportunities for better scheduling of day care transport provision including the use of any spare transport capacity within other councils.

Integrated Health and Social care

5. Renfrewshire Council is the lead authority for the Integrated Health and Social Care work stream. Work to date is on-going with discussions focussed on joint procurement opportunities covering children and adult services, shared training and development opportunities, and the scope for collaborative working across telecare / telehealth services.

Waste Management

6. North Lanarkshire Council is the lead authority for the Waste Management work stream. Plans have been developed to create a new organisation to undertake all waste treatment and disposal. This organisation would have the responsibility for procuring all contracts relating to the treatment and disposal of waste and it is believed that this co-ordinated approach would help achieve national recycling and landfill targets. Work on the detailed business plan is on-going and is expected to be ready later this year.

Support Services

7. East Renfrewshire and Inverclyde Councils are the joint lead authorities for the shared Support Services work-stream. An outline business case was developed and in January 2011, all eight councils agreed to develop a detailed business case.

8. A detailed business case for shared support services was presented to the Clyde Valley Leaders and Chief Executive's Forum in June 2011. **South Lanarkshire Council** then decided to withdraw from the shared services work stream before the detailed business case was published. Note that the business case was published on 5 August 2011, based on the full participation by seven councils.

9. The business case was based on a proposal to create a joint venture company to share the support services of finance, payroll, revenues & benefits, HR and IT across the Clyde Valley. The business case presented two options:

    - Transactional Shared Services, which will focus on areas which are common to most councils and which are not subject to strategic direction at council level; annual recurring savings were estimated at £18.1 million after 5 years.

    - Enhanced Scope Shared Services option which will include more specialist and professional areas and projected annual recurring savings of £37.8 million after 5 years.

10. The business case was based on an investment of between £28 million and £31 million respectively over the first five years. However this level of saving is dependent on the commitment of all seven councils and the level to which they wish to participate in the project. (Some of this investment would be incurred by councils over this period irrespective of the shared services project.)

11. At a meeting on 31 August 2011, **West Dunbartonshire Council** decided to withdraw from the shared services project on the basis that the proposal did not represent the best value for the council. Management believe that it can continue to achieve efficiency savings internally to meet its future budget gap.

12. At a meeting on 22 September 2011, the Executive Committee of **Glasgow City Council** considered a report by the Chief Executive regarding the implications for Glasgow of the detailed business case, advising

    - that the vision underlying the detailed business case was far reaching and the aim was to create a publicly owned shared service organisation which would build on

the significant work that individual councils had undertaken in relation to their own internal programmes to simplify and standardise support services;

- that a major piece of work had been undertaken to identify the most appropriate vehicle for delivering the Clyde Valley shared services vision and it was anticipated that a distributed model would be adopted for the location of the shared services staff, making use of existing councils' property assets, reducing the need for major relocations of staff across the Clyde Valley and ensuring shared services jobs would be located in each participating council area;

- the key next steps and the conclusions of the outline business case and the financial implications for Glasgow of the detailed business case; and

- that there was a reduction in savings for the Council when a comparison was made between Glasgow's share of the Clyde Valley proposal and the council's own existing approved plans for these areas of services.

13. After consideration, the committee agreed that due to the level of support from other councils the proposals were not sufficiently beneficial to Glasgow and they have therefore withdrawn support for the joint venture company. The council still remains committed to partnership working on other projects within the Clyde Valley partnership where possible.

14. On 29 September 2011, **East Dunbartonshire Council** decided that in light of the current economic climate, the lack of certainty on the governance structure and the need for further clarity on the business case and the risks involved, it was not in a position to recommend proceeding with the proposals.

15. East Dunbartonshire considered that in order to continue its involvement with the current proposals it would need to have certainty around the financial model, confidence in the retention of jobs within the local economy and clarification on the risks and the potential for local control of services to council customers.

16. The council considered that in light of recent developments across other Clyde Valley councils, the business case did not provide the certainty required but agreed to continue exploring alternative delivery models, including shared services to deliver the efficiencies identified in the original proposals.

17. **North Lanarkshire Council** has also evaluated the business case and decided to continue their participation pending consideration of the proposed governance arrangements.

18. During September 2011, **Renfrewshire, Inverclyde** and **East Renfrewshire Councils** each considered a report on the business case and they concluded that it was still appropriate for them to work with other Clyde Valley councils who wish to pursue shared service options. However, all three councils recognised that the detailed business case was no longer valid in its present form and that there was a need to review whether there is still a viable case for progressing partnership proposals.

19. **Inverclyde Council** further agreed that participation in shared services would only be considered if appropriate governance arrangements were established including a fundamental principle of 'one council - one vote'.

20. As at 28 October 2011, four councils have withdrawn from the shared support services work stream with the remaining four councils agreeing in principle to the proposals subject to a revised business case. East Renfrewshire Council intends to have a revised business case completed by Spring 2012. The key issues for a revised business case will be the investment burden under the revised proposals and the political priorities after the May 2012 elections.

Conclusion /

Conclusion

21. The Commission is asked to note this update report.

Fiona Kordiak
Director of Audit Services
2 November 2011

ACCOUNTS COMMISSION

MEETING 10 NOVEMBER 2011

REPORT BY THE DIRECTOR OF BEST VALUE AND SCRUTINY IMPROVEMENT

BRIEFING: SHARED RISK ASSESSMENT REFRESH PROCESS 2012/13

Purpose

1. This report has been prepared to provide members with a briefing on the proposed approach to, and timetable for, the 2012/13 Shared Risk Assessment refresh process.

Background

2. At its February meeting the Commission received a report which outlined the Commission's role in relation to the shared risk assessment process to inform the Commission's further consideration of this issue at its annual strategy seminar in March.

3. A detailed briefing on the approach taken to the shared risk assessment for 2011/12 (SRA2), including the quality assurance arrangements for the 32 assurance and improvement plans (AIPs), was given to members after the Commission's March meeting.

4. At its July meeting the Commission gave further consideration to its engagement with the shared risk assessment process and the assurance that the process offers in relation to the performance of individual councils and more general risks across the local government sector. At that time it was agreed that Audit Scotland would provide Commission members with a briefing on the planned approach to the 2012-13 SRA refresh (including the proposed quality assurance arrangements) in late Autumn/early winter 2011. This report has been prepared to provide members with that briefing.

Evaluation of the shared risk assessment process 2011/12

5. In August the Strategic Scrutiny Group approved a set of proposals to gather feedback regarding the implementation of the SRA process for 2011/12 from councils, LAN representatives and LAN leads.

6. The aim of this evaluation work was to:

    • Gather feedback from stakeholders on the extent to which the improvements in consistency of approach and council engagement recommended by ipsos/MORI in their independent evaluation findings last year have been achieved.

    • Gather evidence on the extent to which the broader improvement commitments set out in the National Scrutiny Plan commentary report 2010/11 have been realised

- Identify any opportunities for further refinement and improvement of the process in future years.

7. Evidence to inform the evaluation exercise was gathered in a variety of ways:

- SOLACE provided feedback from councils on the overall experience of the SRA refresh process in 2010/11 based on a survey they undertook of all Chief Executives.

- A meeting of all LAN leads was held to gather the views of this key leadership group in the SRA process. This provided an opportunity to explore any issues raised and help identify improvement actions.

- A number of individual scrutiny bodies also held their own focus group sessions with LAN representatives to gather views on their of the SRA process.

8. The key messages arising from the evaluation exercise are set out in Exhibit 1, below.

Exhibit 1

Key messages arising from 2011/12 SRA evaluation process

Timetable

The consensus is that the timetable of SRA activity running through the Autumn/Winter period works well for both scrutiny bodies and councils. We will plan on a similar timetable for 2011/12. However, when working up the detailed schedule for the 2011/12 SRA process (including deadline dates for key deliverables) consideration will need to be given to the impact of next year's local government elections on the publication process and timetable for both SRA/AIPs and the National Scrutiny Plan.

Council engagement

There is universal feedback that early engagement with councils is a critical success factor in terms of their levels of satisfaction with the SRA process. The guidance reinforces the need for this. The first stage of the 2011/12 SRA process is a meeting with the council to discuss local priorities, performance challenges and current approaches to self evaluation so that councils feel their 'voice' is at the centre of the process.

Effective ongoing communication is also important and we have set out some minimum expectations around this. The guidance in this area is flexible enough to allow for local discussions with individual councils around their expectations in this area.

Self evaluation

Effective self evaluation by councils is a key determinant in scrutiny bodies' ability to deliver more proportionate and risk-based scrutiny. For that reason, the guidance is clearer on what we expect LANs to consider in relation to self evaluation.

LAN lead support

There was a clear message from the evaluation that LAN leads would welcome the opportunity to meet together at an appropriate point in the SRA process to discuss emerging message and to share experiences around the management of the process. This would have happened as part of the 2010 SRA refresh process had the extreme weather conditions not intervened.

Assurance and Improvement Plan (AIP) template

The consensus is that the existing AIP template provides a useful framework for presenting the outcomes of the SRA process. Most LAN leads and LAN members feel the length is about right, but there is agreement that a stronger focus on planned scrutiny activity rather than the scrutiny risk assessment would be useful.

Quality Assurance (QA)

The more targeted and focused QA arrangements in 2011 were welcomed. It is proposed to repeat this arrangement in 2011/12. Where areas for improvement have been identified, e.g. greater clarity on the scope to discuss QA feedback between LAN leads and QA reviewers, these have been picked up in the revised guidance.

Source: Audit Scotland

Proposed arrangements for the shared risk assessment process 2011/12

9.   The evaluation findings were considered by the local government scrutiny operational group at its August meeting and the strategic scrutiny group at its September meeting.

10. The operation and strategic groups' considerations of the evaluation findings were used to prepare draft guidance material on the 2011/12 SRA process which was subsequently approved by the strategic scrutiny group and then circulated to LAN leads and LAN members (Appendix 1).

11. The guidance addresses the key improvement areas highlighted in the evaluation feedback (e.g. the need for more consistent engagement between LAN leads and Chief Executives, clearer guidance on self-evaluation expectations, more ongoing support for LAN leads) and also retains those aspects of the previous approach which were deemed to have worked well (e.g. current SRA reporting framework, more streamlined QA arrangements).

12. Training for existing and new LAN leads and LAN members on the updated guidance took place in October.

13. The proposed timetable for the 2011/12 SRA process which has been considered and approved by local government scrutiny operational group is attached at Appendix 2.

Recommendations:

14. The Commission is invited to:

   (i)   note guidance material on the 2011/12 SRA process (Appendix 1).

   (ii)   note the proposed timetable for the 2011/12 SRA process (Appendix 2).

Fraser McKinlay
Director of Best Value and Scrutiny Improvement
31 October 2011

Appendix 1

SRA REFRESH OF 2012/13 – 2014/15 SCRUTINY PLANS

PROCESS & GUIDANCE

Introduction

The first 32 Assurance and Improvement Plans for councils were published on 1st July 2010 following the first application of the Shared Risk Assessment (SRA) by local government scrutiny bodies in Scotland. The second cycle of SRA, which began in October 2010, refreshed those plans and AIP Updates for each council were published in May 2011.

The third cycle of SRA will begin in **October 2011** and will follow the same approach as last year's refresh process.

This guidance is revised taking account of feedback from LAN leads and representatives received as part of the evaluation of the second cycle of SRA. Due to turn over of LAN representatives, this guidance assumes no prior knowledge and hence is a comprehensive coverage of the SRA process (stand-alone with no requirement to refer back to previous guidance notes). For experienced LAN representatives please also see the 'Quick Start Guide' (Annex 1). This is a shorter, summary guide highlighting what has changed this year.

The shared risk assessment is a means to an end, the aim of the refresh is to produce an AIP Update including revised Scrutiny Plans for 2012/13 to 2014/15 for each council.

Process in summary:

From October 2011
o LAN leads makes initial contact with Chief Executive to agree terms of engagement and process for accessing self evaluation material
o Individual LAN reps *gather and analyse new evidence* – forming judgements about scrutiny risk and *identify any work planned* by their organisation affecting the council
o LAN lead synthesises this information

Between November and December
o LAN meeting takes place
  - Revisit risk assessments
  - Revisit scrutiny responses
  - Consider national risk priorities
  - Firm up plans for 2012/13 and 2013/14, flag potential work for 2014/15
o LAN lead prepares the Update covering report and scrutiny plans

Jan 2012
o New AIP Update, scrutiny plans and synthesised evidence is submitted for QA
o 2 stage QA process and feedback to LAN leads

Between Feb and April 2012
o 32 Updates' scrutiny plans are consolidated into a National Scrutiny Plan
o Individual scrutiny bodies ensure their have capacity to deliver the plans and make own arrangements for internal checking and agreement of plans
o National Round Table meetings to check scrutiny plans content and consider NSP

May 2012
o NSP and 32 Updates published. Precise date to be determined in light of election period.

Detailed Guidance

1. Individual LAN representative input

An evidence template for each council will be issued to LAN leads for distribution to LAN members (Annex 2).

LAN members should:
- Review the existing AIP Update
- Gather and analyse new evidence (i.e. more up to date performance information, scrutiny reports and intelligence)
- Identify any planned work[1] within their organisation that may affect the council
- Complete and submit the evidence template to the LAN Lead. Individual contributions should be proportionate, detailing new and updated evidence and the implications for existing scrutiny risk assessments and planned work.

2. LAN lead synthesises individual returns

The LAN Lead integrates all the LAN member individual evidence templates into one document and issues to LAN members in advance of a LAN meeting.

3. LAN meeting

LAN members meet to discuss the composite evidence template. This meeting (or meetings) should:

1. discuss the updated evidence sources/information
2. agree any changes to the original risk assessments*
3. agree any changes to the planned scrutiny activity**
4. consider the council's performance in relation to the National Risk Priorities*** and agree the risk assessment and any scrutiny response
5. Identify all opportunities for joint scrutiny work
6. firm up the plans for 2012/13 and 2013/14
7. highlight additional work that is planned for 2014/15

* RAG risk assessment

The RAG approach for categorising risks should continue to be used in the template provided:

Red – significant concerns
Amber – area of uncertainty
Green – no significant concerns

Red - Significant concerns

The types of circumstances which result in 'significant concerns' may include:

---

[1] This is activity which will be undertaken in one or more councils throughout the year that is not planned as a result of the shared risk assessment e.g. work requested by ministers. It does not include unit level activity e.g. school inspections.

- Performance is poor, slipping or not improving
- Service or outcome standards are unacceptable
- Improvement is not on track to achieve a target
- Locally agreed priorities do not reflect evident and pressing need
- There are question marks about the sustainability of current performance or the achievement of improvements
- Process to support continuous improvement are not well established or are ineffective

Amber - Areas of uncertainty

Amber risk should be identified where there is *insufficient information* to reach a judgement about whether performance is adequate/improving (green) or inadequate/declining (red). Amber should **not** be used to indicate average performance. Scrutiny bodies should highlight areas where sufficient evidence is not available to make a judgement, where the evidence is unclear or where the impact of any action taken by a council to address an area of concern is unclear. These should be clearly highlighted as an area of uncertainty (amber) that requires discussion at the round table and possibly further analysis or contact with the council to determine an appropriate scrutiny response.

Green - No significant concerns

A green classification is applied where we have no significant concerns and as a consequence no scrutiny work is necessary. The main circumstances in which a green classification would be appropriate include:

- where performance is satisfactory
- where performance is improving
- where the council has demonstrated a good awareness of the issue and has robust plans in place to mitigate the risk.

Remember that the point of applying a scrutiny risk is to identify where scrutiny work is needed. Either to facilitate improvement, provide public assurance or gather evidence to around areas where it is not possible to make a judgement due to lack of information (ambers). The RAG risk assessments are not a performance assessment.

If the scrutiny risk within a service/outcome or corporate assessment area varies, then the area can be split to indicate the differences in scrutiny risk e.g. If the overall risk of the housing service is low, but within one aspect of service, say use of B&Bs for homeless families, the scrutiny risk is high, the housing service row in the template should be split showing that no concerns are identified in the majority of the service areas, but that the use of B&B is identified as high risk and consequently some scrutiny work targeted only at this area is identified.

** Scrutiny Responses

No scrutiny is required where:

- existing performance is satisfactory and can be sustained or improved
- the council has good awareness of what needs to improve and has robust plans in place
- a scrutiny response is not the most appropriate means by which to secure the necessary improvement.

Where this is not the case the following types of scrutiny response can apply:

- Establishing performance - Where there is not enough information to determine a risk assessment for a significant area of council performance the LAN may decide to :
  - request further information from the council
  - meet with key officers of the council

- assist the council in producing a self evaluation
- file reading/reality checking (including direct surveying of staff/service users)
- targeted inspection/audit
- comprehensive inspection/audit

- Diagnosing performance failure - Where there is evidence of performance failure and the cause is unclear, the LAN may decide to:
  - meet with key officers
  - local/link/district inspector/auditor monitoring
  - request a self-evaluation
  - file reading/reality checking (including direct surveying of staff/service users)
  - validated self-evaluation
  - targeted inspection/audit
  - short notice inspection/audit
  - comprehensive inspection/audit

- Improvement intervention - Where the council does not acknowledge that there is an area requiring improvement the LAN may decide to:

  - Write to Chief Executive to highlight areas for improvement
  - Meet with key officers
  - Request an improvement plan
  - Local/link/district inspector/auditor monitoring
  - Request progress report
  - Request the setting of an improvement target
  - Require submission and agreement of an improvement plan
  - Impose an improvement target or requirement
  - Recommend that the council appoints external capacity support/peer support

- Sanctions – in extreme situations the following powers can be used:

  - Statutory public interest report and hearing (AS)
  - Statutory remedial plan (SHR)
  - Require self appointment of external capacity support/peer support
  - Recommend Ministerial intervention (ES, SCSWIS and AS)
  - Statutory appointment of a manager. Post April 2012 - statutory intervention powers e.g. performance improvement plan and performance improvement target (SHR)

***The National Risk Priorities are:

- The protection and welfare of vulnerable people (children and adults) including access to opportunities
- Assuring public money is being used properly
- How councils are responding to the challenging financial environment

To ensure equal opportunities, the LAN should consider whether any group of service users would be adversely affected by the proposed scrutiny approach. Consider:
- o Does the approach mean that people from ethnic minority backgrounds or disabled people are affected more than the general population by reductions in scrutiny?
- o Are there services used by certain population groups that are receiving less scrutiny?
- o What is the likely impact on these groups?
- o Is there a need to redress the scrutiny balance to ensure equal treatment?

4. Preparation of the Update

The LAN Lead finalises the updated evidence template to reflect the conclusions of the LAN.

The LAN lead ensures that a short covering report summarising the key messages arising from the 2011/12 refresh is prepared using the template in Annex 3.

The LAN Lead should check that there are no discrepancies between scrutiny risk and planned activity i.e. scrutiny risk identified but no planned activity, or planned scrutiny activity where no scrutiny risk is found.

The LAN Lead submits the evidence template and covering report to the Local Government Scrutiny Co-ordination Operational Group for QA.

The Local Government Scrutiny Co-ordination Operational Group, including for the purposes of quality assurance, local government peer representation, considers all 32 updates.

The aims of the screening stage of the quality assurance process are to assess whether the update and covering report contain all the required elements and whether:
- the reported assessment of risk are reasonable given the available evidence and other information
- the proposed audit and scrutiny response is reasonable and proportionate given the risks identified
- judgements about the level and nature of risks and the planned scrutiny response are consistent with those made in relation to other updates

The Group will consider each update in terms of:
- Are the changes to the risk assessments clearly stated?
- Are the changes to the risk assessments clearly supported by new evidence?
- Is there any other evidence held by each scrutiny organisation that has not been included?
- Does the update adequately address the national risk priorities?
- Is there a clear risk assessment and proposed scrutiny around the national risk priorities?
- Are the scrutiny responses proportionate to the identified risks?
- Are there any discrepancies between risk assessment and planned work (i.e. risk identified but no planned work or planned work where no risk identified)
- Are the scrutiny plans for 2012/13 and 2013/14 clearly set out?
- Are plans for the third rolling year, 2014/15 highlighted?
- Do the scrutiny plans clearly flow from the risk assessments?
- Is there any 'national' activity being undertaken that is missing from the local plans?
- Is there any opportunity for collaborative work?

In the majority of cases, the Group will provide written feedback to each LAN Lead stating any changes or amendments that may be required.

However, some updates may be referred to a Quality & Consistency Review Panel. Updates will be referred to the Quality & Consistency Review Panel if:
- there has been a significant and/or unexplained change in the risk assessments for the council
- there are apparent inconsistencies between the evidence and the risk assessments
- there are apparent inconsistencies between the risks identified and the proposed scrutiny activity
- there are apparent inconsistencies in the risk assessments and responses to those made in other councils

In these cases, the Group will provide a note for the Panel and the LAN detailing its reasons for referral. There will also be opportunity for the Operational Group members to contact the LAN leads on an informal basis regarding any points of clarification.

6. Quality & Consistency Review Panel assessment

The Panel will meet to consider only those updates referred by the Operational Group.

The Panel will meet with the LAN Lead and other LAN members as appropriate to discuss their assessment of evidence, resulting risk and proposed scrutiny response in relation to the issues raised by the Operational Group.

The panel will consider some of the questions covered by the Operational Group e.g.:
- Are the changes to the risk assessments clearly stated?
- Are the changes to the risk assessments clearly supported by new evidence?
- Does the update adequately address the national risk priorities?
- Is there a clear risk assessment and proposed scrutiny around the national risk priorities?
- Are the scrutiny responses proportionate to the identified risks?
- Are the scrutiny plans for 2012/13 and 2013/14 clearly set out?
- Do the scrutiny plans clearly flow from the risk assessments?

However, the meeting will provide opportunity for the LAN to explain how it arrived at its assessment.

7. National Risk Assessment

The new AIP Updates will be compiled centrally within Audit Scotland. The plans for 2012/13 and 2013/14 will be consolidated into a draft National Scrutiny Plan for those years.

In advance of the Planners and Schedulers Group meeting, all scrutiny bodies should ensure that they have the capacity to deliver the plans.

At the Planner & Schedulers Group meeting, the group will consider the plans to ensure:
- each body has the capacity to deliver the plans
- national issues are identified and the potential for addressing through thematic work are explored
- all opportunities for collaborative work are explored
- all national work is identified and reflected
- the timing of activity is smoothed to avoid any possible clustering

Amendments will be referred back to the LAN Leads and the National Scrutiny Plan revised accordingly.

The National Scrutiny Plan will then be referred to the National Round Table meeting of the Local Government Scrutiny Co-ordination Strategic Group for discussion and agreement.

Any changes at this stage will be referred back to the LAN Lead.

It should be made clear to the council that any discussion on the planned scrutiny work in 2012/13 and indications for 2013/14 and 2014/15 will not be final until after the National Round Table discussions.

8. Publication

The AIP Updates (including the scrutiny plans) will be published on the website alongside the existing AIPs in May 2012. The precise date is yet to be determined and will be influenced by the forthcoming elections.

The completed individual evidence templates and the consolidated, agreed evidence template are a valuable part of the process forming our detailed working papers and providing the evidence trail for our decisions and for QA. In the interests of an efficient and effective process there is no need for these to be shared with, and effectively 'signed off' by the council. The templates will not be published however they could still be subject to any Freedom of Information requests and should be prepared with this in mind.

The National Scrutiny Plan 2012/13 will be published on the website.

9. Timeline

Activity	Oct 2011	Nov 2011	Dec 2011	Jan 2012	Feb 2012	Mar 2012	Apr 2012	May 2012
1. Individual bodies complete evidence template and identified planned work	■	■						
2. LAN Lead compiles returns		■	■					
3. LAN meeting		■	■					
4. LAN Lead prepares Update			■					
5. Initial QA screening by Operational Group, feedback and amendments				■				
6. QCR Panel meetings[2], feedback and amendments				■				
7. Planning & Scheduling and National Round Table meetings and feedback					■	■	■	
8. Final Update amendments							■	
9. Tentative[3] Publication								■

2 Only those LANs referred by the Operational Group
[3] The exact timing of publication will be influenced by the upcoming elections and will be determined closer to that period.

Engagement with councils is a fundamental element of the SRA process. It is not a separate 'stage' in the process as it can run throughout the different stages and it is built of the principle of 'no surprises'.

It is expected that LAN Leads agree with chief executives, at the start of the process, how the council would like to be engaged. This discussion should include:
- at which stages in the process the council wish to be engaged
- the frequency
- who should be involved – chief executive, management team, leader, other politicians etc
- how to include self evaluation information into the risk assessment process

The ***minimum*** level of council engagement expected as part of the SRA process, would be:

- initial discussion to agree terms of engagement prior to start of the process, and how/when/what self-evaluation material can be provided to support the SRA process
- discussion following the LAN meeting to cover the issues arising from the analysis of updated intelligence and to request any further evidence to potential reduce any amber assessments
- discussion of Update and future scrutiny plans

It is not planned that LAN Leads should routinely share the evidence templates with councils. Rather discussions should focus on the revised scrutiny plans with the discussion focusing on what has changed and why.

As described above, it should be made clear to the council in any ongoing discussions that the planned scrutiny work in 2012/13 and indications for 2013/14 and 2014/15 will not be final until after the National Round Table discussions prior to publication in April 2011.

The ability of councils to undertake robust and reliable self-evaluation of the effectiveness of their corporate processes, performance of services and impact is central to a reduction in levels of external scrutiny undertaken by all scrutiny bodies. Detailed, accurate, up-to-date, readily available and verifiable information allows us to more accurately assess risk and target scrutiny activity to where it is most necessary.

The LAN is ***not expected to make a judgement on the council's approach to self-evaluation***. A separate exercise is currently being undertaken through the external auditor for each council to compile information about the council's approach to self-evaluation. The LAN should consider the extent to which they can place reliance on council's self-evaluation material. LANs should consider how well it accords with other evidence.

As part of the SRA process, it is essential that the council has full opportunity to provide their own self assessment evidence ***to support the risk assessment discussions***. Self-evaluation information should be sought from councils ***before*** the LAN meeting so that it can be fully integrated into the evidence synthesis.

Councils should be asked to provide self-evaluation information about:
- service performance
- the delivery of outcomes and
- against the Best Value corporate assessment criteria

This is in common with the evidence template that the individual scrutiny bodies compile for the LAN meeting. The format and type of evidence submitted is at the discretion of the council

and is dependent on their approach to self-evaluation in terms of what they currently produce for internal scrutiny and challenge. Council's should *not* be asked to produce any information bespoke for the SRA process but to rely on their existing documents.

It should also be emphasised that it is *summary information* in support of the council's delivery against the three assessment areas that is required and the LAN itself will not be undertake an analysis of data on behalf of the council.

The LAN lead, with support of the appropriate LAN reps for the specific outcome, service and corporate assessment areas, should ensure that self-evaluation information is incorporated into the synthesised evidence template and informs the risk assessment.

12. Summary of LAN Rep Responsibilities

LAN representatives are expected to:

- Review the existing AIP Update in the context of additional evidence/information that their organisation holds
- Identify any scrutiny work currently planned by their organisation in the council in the 3 years of the scrutiny plan timeframe e.g. national or thematic work, inspection activity requested by Ministers, follow-up work etc. This does not include routine unit level activity such as care home inspections
- Complete the evidence template in advance of the LAN meeting using summary information and making initial risk assessment judgements
- Attend the LAN meeting and contribute to the discussion of risk assessments and scrutiny responses across all service, outcome and corporate assessment areas
- Support the LAN lead in providing advice specific to areas of professional expertise
- Support the LAN lead in assessing self-evaluation evidence specific to areas of professional expertise
- Support the LAN lead in preparing the AIP Update
- Support the LAN lead in the QA process as required
- Support the LAN lead in regard to any queries about your organisation's planned work
- Support the LAN lead in council engagement as required
- Keep the LAN lead aware of any planned discussions with councils throughout the year.

13. Summary of LAN Lead Responsibilities

LAN leads are expected to:

- Attend LAN lead meetings to share experience and good practice
- Circulate the guidance and templates to the LAN members
- Make initial contact with the council to agree the terms of engagement and self-evaluation input
- Maintain on-going contact with the council as determined by the council and meeting the minimum requirements described in section 10
- Synthesise the individual evidence templates and integrate council self-evaluation evidence
- Circulate the composite evidence template prior to the LAN meeting
- Arrange the LAN meeting and co-ordinate the input from LAN representatives
- Chair the LAN meeting and facilitate the agreement of risk assessments and scrutiny activity
- Pursue opportunities for collaborative work
- Lead the drafting of the Update
- Attend the QA panel as required
- Keep LAN members informed of discussions, changes, draft Updates etc
- Provide support to LAN members to enable them to fulfil their responsibilities

This checklist is aimed at experienced LAN members summarising the main changes from last year's guide and key reminders.

Process in summary:
o   Initial contact with council to agree terms of engagement and process for accessing self evaluation material
o   Individual LAN members gather and analyse new evidence
o   Individual LAN members identify any work planned by their organisation affecting the council
o   LAN lead synthesises this information
o   LAN meeting takes place to revisit risk assessments and scrutiny responses, consider national risk priorities, and firm up plans for 2012/13 and 2013/14, flag potential work for 2014/15
o   LAN lead prepares the Update covering report and scrutiny plans
o   New AIP Update, scrutiny plans and synthesised evidence is submitted for QA
o   2 stage QA process and feedback to LAN leads
o   32 Updates' scrutiny plans are consolidated into a National Scrutiny Plan
o   National Round Table meetings to check scrutiny plans content and consider NSP
o   NSP and 32 Updates published

Timeline:
o   From October – information and intelligence gathering, council engagement
o   November/December – LAN meeting
o   December – prepare Update report
o   January – QA processes
o   Feb/Mar – Planners and Schedulers and National Round Table meetings
o   April/May – Final amendments and publication

Changes:
o   Expanded (3 stage) minimum level of council engagement
   -   Initial discussion to agree **terms of engagement** (section 10) prior to start of the process, and how/when/what **self-evaluation material** (section 11) can be provided to support the SRA process
   -   Discussion following the LAN meeting to cover the issues arising from the analysis of updated intelligence and to request any further evidence to potential **reduce any amber assessments**
   -   Discussion of **Update and future scrutiny plans**

o   LAN reps should now also identify work planned by their organisation affecting the council (section 1) and **submit this information with their evidence template prior to** the LAN meeting

Reminders:
o   LAN reps should support the LAN lead in
   -   Providing advice specific to areas of professional expertise
   -   Assessing self-evaluation evidence specific to areas of professional expertise
   -   Preparing the AIP Update as required
   -   The QA process as required
   -   With any queries about their organisation's planned work
   -   In council engagement as required
   -   Making the LAN lead aware of any planned discussions with councils throughout the year

o   LAN Leads should:
   -   Seek opportunities for collaborative work
   -   Keep LAN members informed of discussions, changes, draft Updates etc

- Provide support to LAN members to enable them to fulfil their responsibilities

SERVICE AREAS	2011/12 RISK ASSESSMENT	NEW EVIDENCE	2012/13 RISK ASSESSMENT	PROPOSED SCRUTINY WORK
List of each council services				
OUTCOME AREAS				
List of councils outcome priorities				
CORPORATE ASSESSMENT AREAS				
Vision and strategic direction				
Leadership and culture				
Planning and resource alignment				
Partnership working and community leadership				
Community engagement				
Governance and accountability (including public performance reporting)				
Performance management				
Challenge and improvement				
Customer focus and responsiveness				
Risk management				
ICT				
Use of resources – efficiency				

Use of resources - competitiveness				
Use of resources – financial management				
Use of resources – asset management				
Use of resources – managing people				
Use of resources - procurement				
Equalities				
Sustainability				

XXX Council

Assurance and Improvement Plan Update 2012–15

Introduction

1.   The first Assurance and Improvement Plan (AIP) for XXX Council was published in July 2010. That document set out the planned scrutiny activity for the council for the period April 2010 to March 2013 based on a shared risk assessment undertaken by a local area network (LAN) made up of representatives of all of the main local government audit and inspection agencies.

2.   The aim of the shared risk assessment process was to focus scrutiny activity where it is most needed and to determine the most proportionate scrutiny response over a three year period. The AIP gave an overview of the information that informed the risk assessment and showed how this links to the proposed scrutiny response.

3.   The local area network met again in November 2010 to update the AIP for the period 2011-14. The AIP Update was published in May 2011.

4.   This report is the result of the shared risk assessment which began in November 2011. The update process drew on evidence from a number of sources, including:

  ▪ The annual report to the Controller of Audit and elected members for 2009/10 from the council's appointed external auditors.

  ▪ The council's own performance data and self-evaluation evidence.

  ▪ Evidence gathered from Education Scotland, Social Care Social Work Improvement Scotland and the Scottish Housing Regulator (including published inspection reports and other supporting evidence).

5.   The outcomes of that exercise are contained in this short report which summarises changes to risk assessments and proposed scrutiny responses. The Appendix to this report sets out a timetable for proposed audit and inspection activity between April 2012 and March 2015 which reflects the revised and updated scrutiny risk assessment.

6.   1 or 2 summary paragraphs to list areas of strength, improvement and concern; and summarise scrutiny activity planned

National risk priorities

7.   A number of core national risk priorities will be applied to all 32 councils. These are:

- **The protection and welfare of vulnerable people (children and adults) including access to opportunities:** assessment and scrutiny response inserted here. Can be cross referenced to relevant service, outcome or corporate assessment criteria risks assessments below if appropriate.

- **Assuring public money is being used properly:** assessment and scrutiny response inserted here. Can be cross referenced to relevant service, outcome or corporate assessment criteria risks assessments below if appropriate.

- **How councils are responding to the challenging financial environment:** assessment and scrutiny response inserted here. Can be cross referenced to relevant service, outcome or corporate assessment criteria risks assessments below if appropriate.

8.   The LAN is committed to maintaining its engagement with the council between now and the next SRA/AIP refresh so that we can retain an overview of how the council is managing its response to the significant financial challenges that it and all other Scottish public bodies face.

Areas of unchanged scrutiny risk assessments

9.   The following comments relate to issues where perceived risks in the council's processes and activities remain unchanged since the 2011/12 AIP Update.

Area	R/A/G	2011/12 Update
Insert service, outcome or corporate assessment areas where risk assessments remain the same	State risk assessment	Add comment e.g. further evidence (or lack of) to explain the unchanged risk assessment

Changes to 2011/12 risk assessments

10.   The following table relates to risk assessments that have been changed from the 2011/12 AIP Update.

Area	2011/12 Risk Assessment	2012/13 Risk Assessment	Reason for Change
Add comment e.g. further evidence (or lack of) to argue for the unchanged risk assessment	Add comment e.g. further evidence (or lack of) to argue for the unchanged risk assessment	Add comment e.g. further evidence (or lack of) to argue for the unchanged risk assessment	Add comment e.g. further evidence (or lack of) to argue for the unchanged risk assessment

Scrutiny plan changes

11.   1 or 2 paragraphs to summarise the changes to existing planned work and new work now appearing in the scrutiny plans for the 3 years.

Scrutiny plans

Scrutiny activity in the shaded rows does not result from the shared risk assessment but is national activity requested by Ministers.

XXX COUNCIL	2012-13											
Scrutiny activity year 1	**Apr**	**May**	**June**	**July**	**Aug**	**Sept**	**Oct**	**Nov**	**Dec**	**Jan**	**Feb**	**Mar**
Insert scrutiny activity planned throughout the year indicating the scrutiny bodies involved. Shade relevant months to indicate timing of field work.												
National or planned work which is not as a result of the risk assessments should be listed in the shaded rows												
	2013-14											
Scrutiny activity year 2	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
National or planned work which is not as a result of the risk assessments should be listed in the shaded rows												
	2014-15											
Indicative scrutiny activity for rolling third year	Potential scrutiny bodies involved											
National or planned work which is not as a result of the risk assessments should be listed in the shaded rows												

Footnotes

- The focus of the AIP Update is strategic scrutiny activity, that is scrutiny activity which is focused at corporate or whole service level, but there will also be baseline scrutiny activity at unit level on-going throughout the period of the AIP. This will include, for example, school and residential home inspections. Scrutiny bodies also reserve the right to make unannounced scrutiny visits. These will generally be made in relation to care services for vulnerable client groups. The annual audit of local government also comprises part of the baseline activity for all councils and this includes work necessary to complete the audit of housing benefit and council tax benefit arrangements. Education Scotland, through the District Inspector, will continue to support and challenge Education Services regularly and as appropriate. Social Care and Social Work Improvement Scotland (SCSWIS will regulate care services and inspect social work services based on the Public Services Reform (Scotland) Act 2010.

Appendix 2

PROVISIONAL DETAILED TIMETABLE FOR SRA

ACTIVITY	DATE
LAN lead meeting – progress discussion	**Wed 7/12/11**
LAN lead meeting – finalising Updates	**Wed 18/1/12**
	1 week
Submission of draft Updates	**Friday 27/1/12**
	1 week to review
Operational Group screening meeting	**w/c 13/2/12**
	2 weeks – prep review notes and notify
QCRP	**w/c 27/2/12**
	2 weeks prep of draft NSP
Planning and schedulers meeting	**w/c 5/3/12**
	2 weeks amend NSP collect scrutiny body data
National Round Table meeting	**w/c 26/3/12**
	1 week
LAN lead meeting – final discussion	**Wed 28/3/12**
	2 weeks for final amendments
Submission of final Updates	**w/c 16/4/12**
	Review Updates, formatting, prep NSP, commentary report
Publication	**Mid/end May**

ACCOUNTS COMMISSION

MEETING 10 NOVEMBER 2011

REPORT BY DIRECTOR OF PERFORMANCE AUDIT

PERFORMANCE AUDIT ROLLING PROGRAMME - UPDATE

Purpose

1. The purpose of this report is to provide a formal update to the Commission on the rolling programme of performance audits. The Commission is invited to note the update.

Update on rolling programme of performance audits

2. At its September 2011 meeting, the Commission received a paper providing a summary of responses to the Auditor General and Accounts Commission's recent consultation on proposed national performance audits; and inviting the Commission to consider proposals for the joint programme of performance audits that will be published during 2012/13.

3. The rolling programme of performance audits is summarised in the appendix. Members are invited to formally note the 2012/13 programme:

    *   We have included an audit of Consumer protection services in the 2012/13 work programme.

    *   We will delay starting an audit on national training programmes because of changes to the schemes currently being introduced.

    *   Following publication of *Overview of Scotland's justice system*, we have identified that the next audit on justice should focus on Reducing reoffending. This will be undertaken during 2012/13.

4. The Commission is also invited to note revised publication dates for the following joint performance audits:

    *   Commissioning community care services. This report has been postponed to 1 March 2012 to enable us to reflect the current Parliamentary inquiry into the regulation of care for older people and to allow the team to have further discussion with the Care Inspectorate about issues arising from the audit and the Parliamentary inquiry.

    *   Commonwealth Games – 2nd position statement. Publication of this report is being brought forward to 15 or 22 March 2012 due to the moratorium for next year's local government elections which will run from 22 March to 4 May 2012.

5. We will continue to update the Commission's Performance Audit Committee about the rolling programme through our regular updates. If a significant issue arises in-year which we consider should be added to our programme then we will discuss this with the Chair of the Commission, Chair of the Performance Audit Committee and the Auditor General, and bring a paper to the Commission.

Conclusion

6.   The Commission is invited to note the update on the rolling programme of performance audits and the revised publication dates for two reports.

Barbara Hurst
Director of Performance Audit
31 October 2011

APPENDIX

ROLLING PROGRAMME OF NATIONAL PERFORMANCE AUDITS		
Current programme (Reporting in 2011/12)	**Forward programme (Reporting in 2012/13)**	**Topics under review (Could potentially be brought forward to our Forward programme – see Note)**
Community health partnerships (June 2011)	Mergers of public bodies	Climate change duties (to start 2013/14, builds on project in 2011/12 programme)
Transport for health and social care (August 2011)	Health inequalities	Commonwealth Games
Scotland's public finances: addressing the challenges (August 2011)	Outsourced contracts	Drug and alcohol follow-up
Overview of Scotland's criminal justice system (September 2011)	Stroke services	e-health
Modernising the planning system (September 2011)	Reducing reoffending	Early intervention in improving health
Telehealth (October 2011)	GP prescribing	Housing overview/affordable housing
Role of community planning partnerships in economic development (November 2011)	Major capital projects in local government	Intervention in early years
Reducing greenhouse gas emissions (December 2011)	NHS annual overview	Major infrastructure projects (eg Forth replacement crossing; Edinburgh trams; Borders railway)
NHS annual overview (December 2011)	Consumer protection services	Mental health follow-up (dementia services)
Cardiology services (February 2012)	Scotland's public finances – workforce planning	National training programmes
Commissioning social care(March 2012)	Renewable energy	Support to Small and Medium-sized Enterprises
Commonwealth Games – 2nd position statement (March 2012 TBC)		Sustainability of higher and further education
		Telecare
		Young people leaving care

Note: We have identified a number of topics which we will keep under review. If a topic under review becomes more relevant or would add more value than a proposed audit in the 2012/13 programme or issues of public concern arise then, taking our capacity to undertake a review into account, we will add this to our 2012/13 programme or reschedule our programme to allow this to happen.

ACCOUNTS COMMISSION

MEETING 10 NOVEMBER 2011

REPORT BY THE DIRECTOR OF BEST VALUE AND SCRUTINY IMPROVEMENT

STATUTORY PERFORMANCE INFORMATION: 2010/11 OUTTURN DATA

Purpose

1. Since 1992 the Commission has used its powers to issue a direction to councils requiring them to publish performance information. More recently the Commission has offered councils flexibility to meet their Best Value responsibilities while retaining a small number of prescribed performance indicators. This flexibility accorded to councils was reported for the first time for 2009/10 and the Commission asked for a further report for 2010/11. Public performance reporting is an on-going process for councils, this report provides a snap shot in time of how well councils are meeting these requirements.

2. This report provides the Commission with analysis of the 2010/11 SPI outturn data, and comparison with the 2009/10 data. The focus of the analysis is the extent to which councils are responding to the flexibility offered in the Commission's 2008 SPI direction and the steps that are being taken to improve reporting. The report does not cover police performance, which is reported nationally by HMICS through the Scottish Policing Performance Framework, but where local authorities have included Fire and Rescue service performance in their local data set this is reflected in the analysis. (The Scottish Policing Performance Framework Annual Report for 2010-11 was published on 27 October, and can be found on the Scottish Government web-site at: . http://www.scotland.gov.uk/Resource/Doc/981/0122186.pdf

3. The aim of this report is to support the Commission in its consideration of how it wishes to approach the exercise of its power to make statutory performance indicator directions under the Local Government 1992 Act, prior to determination of its 2011 Direction at its December meeting.

Background

4. The Commission has a statutory power to define performance information that councils must publish locally, and to do so by means of a direction to councils. The direction must be published at least three months prior to the financial year or period for which the data has to be collected, and so the direction is normally agreed and published by the Commission in December.

5. The Commission's 2008 Direction offered flexibility for councils and was intended to ensure the development of a broad set of comprehensive information for local communities alongside a shorter list of specific comparable data. The 2009/10 analysis acknowledged that some progress was being made by councils towards meeting the new PPR obligations of providing comprehensive public performance reporting in line with the 2008 Direction. But there was significant scope for further improvement, and the approach to and coverage of PPR was highly variable across councils.

6. The Society of Local Authority Chief Executives (SOLACE), along with the Improvement Service are currently developing, on a collaborative basis, a comparative benchmarking framework for Scottish Local Government with the aim of improving local outcome indicators. The project has reached the stage of a draft set of indicators

and SOLACE is currently considering various reporting frameworks.

7. In 2010 The Improvement Service as part of the SOLACE led benchmarking project also reviewed each council's approach to PPR. They reported that:

"while core information such as SPI performance was published there was no one standard mode of reporting, nor was there standard performance reporting between years in some areas"

They went on to say that:

"Equally across the range of web sites there were varying degrees of visibility of PPR and of performance more generally. In some cases the information was highly visible on a web site in others this was less so".

A conclusion reached was that:

"Overall therefore local government's approach to PPR is diverse"

8. Having given consideration to the 2009/10 outturn data report the Commission decided to continue to require councils to publish performance information for 2010/11 in line with the 2008 direction. This report builds on that decision by providing an overview of the extent to which year-on-year improvements in the range and quality of information which is now contained in councils' public performance reporting arrangements.

Analysis of 2010/11 outturn data and comparison with the previous year

9. The data relates to 2010/11 financial year and provides comparison with 2009/10. Councils were invited to provide details of their PPR process, which included, web links to their performance information, PPR framework reports to members, and reporting of information to the public via local newspapers or a council's own publication. Twenty-six of the thirty-two councils responded.

10. The information has now been analysed for all 32 councils, focusing on how councils are responding to the flexibility offered in the Commission's 2008 SPI direction to develop a broad set of comprehensive indicators for local communities, alongside the set of 25 specified service cost, quality and efficiency indicators which are listed in Appendix 2.

11. **Appendix 1** to this report summaries the extent to which all 32 Scottish councils have met the requirement to report a range of information demonstrating that they are securing Best Value in relation to both corporate management and service performance SPIs (Exhibit 1). Appendix 1 also contains the assessment criteria used to inform the judgements on the effectiveness of public reporting. It reports on the extent to which each criteria (e.g. responsiveness to communities, revenue and service costs, employees, assets, etc.) has either been fully, partially, or not reflected in local public performance reports. The appendix also provides comparison with the previous year and shows where improvements have been made.

12. The definitions used to underpin this analysis are:

- **Fully** – there is evidence that the council has moved beyond the Accounts Commission's 25 specified SPIs, with no obvious or major gaps in the comprehensiveness of the data reported.

- **Partially** – the council has reported information which goes beyond the Accounts Commission's 25 specified SPIs, but there are important gaps in the overall

coverage. For example, either there is an absence of reporting on important services within a specific service area (e.g. museums and libraries within cultural and community services), or important aspects of service performance have not been covered (e.g. cost or customer satisfaction).

- **No** – the council has simply reported the Accounts Commission's 25 specified SPIs, or has not reported any information at all in relation to this aspect of corporate activity or service performance.

> **COUNCILS**
>
> **Corporate management**
>
> SPI 1: Each council will report a range of information, sufficient to demonstrate that it is securing Best Value in relation to:
>
> - responsiveness to its communities
> - revenues and service costs
> - employees
> - assets
> - procurement
> - sustainable development
> - equalities and diversity.
>
> **Service performance**
>
> SPI 2: Each council will report a range of information sufficient to demonstrate that it is securing Best Value in providing the following services (in partnership with others where appropriate):
>
> - benefits administration
> - community care
> - criminal justice social work
> - cultural & community services covering at least sport & leisure, museums, the arts and libraries
> - planning (both environmental and development management)
> - the education of children
> - child protection and children's social work
> - housing & homelessness
> - protective services including environmental health, and trading standards
> - roads and lighting
> - waste management services

Source: Accounts Commission. Local Government Act 1992, Statutory Performance Indicators. Direction 2008, Dec. 2008

Conclusion

13. The analysis suggests that progress is being made by councils towards meeting PPR obligations of providing comprehensive public performance reporting in line with the 2008 Direction. Comparison with the previous year shows that overall councils have provided a wider range of performance information and use a variety of means to publish performance information, but there remains scope for further improvement, and the approach to and coverage of PPR continues to be highly variable across councils.

14. **What councils are doing well**?

- Some councils indicated that in addition to their annual performance reports, they use a range of media designed to make performance information available and easy to understand by the public. These included council magazine/newspapers, council

tax leaflets, pamphlets distributed at council buildings - e.g. libraries, leisure centre and local housing department offices. Social web sites such as Twitter and Facebook are also being used to inform the public.

- In the two indicators (exhibit 1 above) relating to corporate management and service improvement there has been improvement in those falling into the full or partial categories in every area compared with the previous year.
- Twenty-four councils either fully or partially have performance assessment arrangements that cover the range of corporate management functions, this compares with 12 councils the previous year.
- Twenty-eight councils (compared with 7 the previous year) included the 25 SPIs in full in their PPR report.
- Twenty-two councils (compared with 13 the previous year) fully or partially included local performance indicators for all services.
- Twenty-four councils fully or partially provided trend information with previous years (compared with 16 councils the previous year).
- Two councils (Perth and Kinross and Stirling) appear the most advanced in developing robust reporting around corporate management and service performance.

15.   What are the areas in need of improvement

- Some councils continue to rely heavily on the SPIs as the main source of reporting performance information to the public. The reported information often includes indicators formerly prescribed as part of SPI Directions.

- Only one council (Perth and Kinross) appears to have fully met all the criteria across all aspects of corporate management and service performance.

- Benchmarking is underdeveloped with only six councils comparing their performance to other councils.

- Sixteen councils do not assess performance against targets.

- Seventeen councils fail to provide information that shows the council listens and responds to it stakeholders.

- Reporting cost information continues to be underdeveloped with only six councils providing detailed coverage.

16. Some specific key messages relating to SPI 1 (Corporate Performance) and SPI 2 (Service Performance) are set out in Exhibit 2.

Specific findings concerning SPI1 and 2

SPI1: Corporate Performance

- 19 councils reported detailed or partial coverage of their responsiveness to communities which was similar to the previous year (18 councils).

- Reporting cost information is underdeveloped, 6 councils only provided detailed coverage (1 fewer than the previous year), while a further 13 provided partial coverage, (5 more than the previous year).

- 9 councils provided detailed employee information coverage (3 more than the previous year) while 8 provided partial information (2 fewer than the previous year). In the current economic climate councils could improve reporting across a number of areas to demonstrate to the public how they are making effective and efficient use of the human resources.

- 5 councils only provided detailed information on equalities and diversity - a small improvement compared with the previous year (4 councils). However, 16 councils did provide partial information which was 5 more than the previous year.

- The other themes have shown a similar pattern with some slight improvements, but overall most councils are not providing detailed information. The number of councils with partial coverage has increased for all themes which is an encouraging development.

SPI2: Service Performance

- The education of children and community care are the two service areas with the best overall coverage, with 15 and 13 councils respectively providing detailed performance information. A further 8 councils for both services provided partial information.

- 3 service areas reported slightly poorer coverage compared with the previous year, culture and community services 8 councils reported full coverage, (compared with 11 the previous year), housing and homelessness 12 councils reported full coverage (compared with 15 the previous year) and waste management services 10 councils reported full coverage (compared with 12 the previous year). However, when partial coverage is included all services show improvements compared with the previous year.

- The service that has shown the best improved coverage is protective services with 22 councils reporting detailed or partial coverage compared with 13 the previous year.

- Planning has also shown improved coverage with 7 councils reporting full coverage compared with 1 council the previous year. It appears that a number of the councils that reported partial coverage the previous year have widened their reporting and are now providing detailed coverage.

- Criminal justice social work and child protection and children's social work (7 and 8 councils respectively reported full coverage) have both shown small improvements compared with the previous year, however the numbers represent around a quarter of councils only are reporting detailed information for these very important services. Consistent with all other services when councils that reported partial information is included there have been improvements compared with the previous year.

Source: Audit Scotland

17. There has been an improvement in public performance reporting in 2010/11 compared with the previous year, but there remains scope for further improvement. On that basis the Commission may wish to use its power of direction in 2011 to require councils to build on these developments and embed good performance information in a way which is meaningful to citizens and which allows comparison across councils and over time.

Key issues for consideration

18. The future direction of the SPIs will be informed by the context within which they operate. This includes changes to the range of other indicators being used by councils and also changes to national policies and legislation.

19. The Commission is aware of the SOLACE led work on developing benchmarking information across the local government sector, which is intended to drive improvements in service delivery and outcomes. Councils are currently engaged in this initiative to develop local outcome indicators along with suitable benchmarking indicators covering costs and services. The work is currently at the development stage and it is unlikely that information will be published before the local government elections in May 2012. The extent to which this project delivers on its objectives in the future will help to inform the future direction for the SPIs.

20. This report highlights that reporting cost information continues to be an area underdeveloped for PPR purposes. In light of current local government financial constraints consideration be given to prescribing a range of key cost information that the Commission would expect councils to report. As a starting point, councils might be encouraged to follow the UK audit agencies indicators in terms of reporting back- office costs.

21. There has been no formal consultation on the 25 prescribed indicators since 2007. For the 2011 direction there will be some minor proposals for amendments to indicators, however, consideration will need to be given to a more formal consultation in 2012 if the SPIs are to continue and remain fit-for-purpose. For example, a significant number of the existing indicators will be affected by forthcoming changes to policy and legislation which include:

   - The benefits indicator will be affected by the UK Government's White Paper, 'Universal Credit: Welfare that Works'
   - The housing indicators will be affected by proposals from the Scottish Government on a new Scottish Housing Charter.
   - The social work Home Care indicator will be affected by proposals by the Scottish Government's 'Self-directed Support (Scotland) Bill'.
   - The waste indicators will need to be considered in light of the Scottish Government's 'Zero waste strategy".
   - The planning indicator will need to be amended to reflect the Scottish Government's new framework proposals developed in conjunction with the Heads of Planning in Scotland.

22. A more detailed synopsis of all indicators will be provided to the Commission in the 2011 direction proposals.

23. The Direction process has a relatively long lead-in time before the outturn data is available. Most of the recommendations above will need to be included in the 2012 direction for reporting year 2013/14, and the information will not be available until late 2014.

Recommendation

24.   The Commission is invited to consider this report in preparation for determining its approach to the 2011 SPI Direction in December.

Fraser McKinlay
Director of Best Value and Scrutiny Improvement
2 November 2011

STATUTORY PERFORMANCE INDICATORS: 2010/11 OUTTURN DATA

Breakdown of responses by criteria

SPI 1 - Does the council report on a range of information, sufficient to demonstrate that it is securing Best Value in relation to:

	2009/10		2010/11		2009/10		2010/11		2009/10		2010/11	
	Yes				**Partial**				**No**			
	Total	**%**	**Total**	**%**	**Total**	**%**	**Total**	**%**	**Total**	**%**	**Total**	**%**
responsiveness to its communities	12	38%	11	34%	6	19%	8	25%	14	44%	13	41%
revenues and service costs	7	22%	6	19%	8	25%	13	41%	17	53%	13	41%
employees	6	19%	9	28%	10	31%	8	25%	16	50%	15	47%
assets	4	13%	8	25%	11	34%	13	41%	17	53%	11	34%
procurement	7	22%	7	22%	6	19%	8	25%	19	59%	17	53%
sustainable development	10	31%	9	28%	8	25%	13	41%	14	44%	10	31%
equalities and diversity	4	13%	5	16%	11	34%	16	50%	17	53%	10	31%

SPI 2 - Does the council report a range of information sufficient to demonstrate that it is securing Best Value in providing the following services (in partnership with others where appropriate):

	2009/10		2010/11		2009/10		2010/11		2009/10		2010/11	
	Yes				Partial				No			
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
benefits administration	7	22%	9	28%	9	28%	10	31%	16	50%	13	41%
community care	12	38%	13	41%	7	22%	8	25%	13	41%	11	34%
criminal justice social work	5	16%	7	22%	7	22%	10	31%	20	63%	15	47%
cultural & community services	11	34%	8	25%	9	28%	13	41%	12	38%	11	34%
planning	1	3%	7	22%	16	50%	12	38%	15	47%	12	38%
the education of children	14	44%	15	47%	5	16%	8	25%	13	41%	9	28%
child protection and children's social work	7	22%	8	25%	10	31%	15	47%	15	47%	9	28%
housing & homelessness	15	47%	12	38%	6	19%	10	31%	11	34%	10	31%
protective services	2	6%	5	16%	11	34%	17	53%	18	56%	10	31%
roads and lighting	4	13%	5	16%	14	44%	14	44%	14	44%	12	38%
waste management services	12	38%	10	31%	9	28%	12	38%	11	34%	9	28%

General

Assessment criteria	2009/10		2010/11		2009/10		2010/11		2009/10		2010/11	
	Yes				Partial				No			
	Total	%	Total	%	Total	%	Total	%	Total	%	Total	%
Does the performance assessment cover the range of corporate management functions?	5	16%	15	47%	7	22%	9	28%	20	63%	8	25%
Does the performance assessment cover the range of services provided?	9	28%	14	44%	5	16%	10	31%	17	53%	8	25%
Are the 25 Specified SPIs included in full?	7	22%	28	88%			2	6%	25	78%	2	6%
Are local performance indictors included for all services?	5	16%	12	38%	8	25%	10	31%	19	59%	10	31%
Are performance measures included for all key outcome priorities?	10	31%	14	44%	1	3%	5	16%	21	66%	11	34%
Are improvement targets identified?	6	19%	10	31%	9	28%	4	13%	17	53%	16	50%
Are comparisons in performance over time made?	12	38%	19	59%	4	13%	5	16%	16	50%	8	25%
Is performance compared to other councils?	2	6%	4	13%	4	13%	2	6%	26	81%	26	81%
Are customer views/feedback/satisfaction/ complaints included?	6	19%	9	28%	11	34%	10	31%	15	47%	13	41%
Is any information included that shows the authority listens and responds to stakeholders?	7	22%	6	19%	6	19%	9	28%	18	56%	17	53%

Appendix 2

Summary of specified performance indicators

1. The average number of working days per employee lost through sickness absence for teachers and all other local government employees.

2. The number and percentage of the highest paid 2% and 5% of earners among council employees that are women.

3. The number of council buildings from which the council delivers services to the public and the percentage of these in which all public areas are suitable for and accessible to people with a disability.

4. The gross cost per case for benefits administration.

5. The cost per dwelling of collecting Council Tax.

6. The income due from Council Tax for the year, net of reliefs and rebates, and the percentage of that which was received during the year

7. The number of invoices paid within 30 calendar days of receipt as a percentage of all invoices paid.

8. The proportion of operational accommodation that is: in a satisfactory condition and suitable for its current use.

9 Home Care -
   a) The number of people age 65+ receiving homecare
   b) The number of homecare hours per 1,000 population age 65+
   c) As a proportion of home care clients age 65+, the number receiving: personal care, a service during evenings/overnight , a service at weekends.

10. The number of attendances per 1,000 population for: pools and other indoor sports and leisure facilities, excluding pools in a combined complex.

11. The number of visits to/usages of council funded or part funded museums per 1,000 population and the number of those visits that were in person per 1,000 population.

12. Library usage - the number of visits per 1,000 population

13. The number of householder and non-householder planning applications determined during the year and the proportion of each that were dealt with within two months.

14. Response repairs to council houses: the number of response repairs completed during the year , the overall % of repairs completed within the target times and the repairs categories used by the council and the target times for each .

15. The number and proportion of the council's housing stock that comply with the following Scottish Housing Quality Standard by criteria (total meeting tolerable standard, total meeting free from serious disrepair, total meeting energy efficient, total meeting modern facilities and services , total meeting , healthy, safe and secure, total dwellings meeting SHQS, total number of dwellings owned by the council

16. The total annual rent loss due to voids expressed as a percentage of the total amount of rent due in the year.

17. Managing tenancy change

   a) Stock which is not low demand - the number of dwellings that were re-let within the following time bands; less than 2 weeks , 2 – 4 weeks, 5 – 8 weeks, 9 – 16 weeks, More than 16 weeks, average re-let times (days)

b) Low demand stock - the number of dwellings that were re-let within the following time bands; less than 2 weeks, 2 – 4 weeks, 5 – 8 weeks, 9 – 16 weeks, 17 – 32 weeks, 33 – 52 weeks, more than 52 weeks

c) For low demand stock; the number remaining un-let at the year end, the average period these dwellings had been un-let at the year end

d) The number of dwellings considered to be low demand at the year end? (includes both void and occupied properties)

e) The number at d) above considered to be low demand at the start of the year? (includes both void and occupied properties)

f) The number at d) above that were not actively being re-let because they were subject to a disposal strategy.

18. Housing Rent arrears - current tenant arrears as a percentage of the net amount of rent due in the year , the percentage of current tenants owing more than 13 weeks rent at the year end, excluding those owing less than £250, the proportion of those tenants giving up their tenancy during the year that were in rent arrears, the average debt owed by tenants leaving in arrears, as a proportion of the average weekly rent, the percentage of arrears owed by former tenants that was either written off or collected during the year.

19. Homelessness - in terms of the council duty to secure permanent accommodation for household, secure temporary accommodation, provide advice and guidance or take reasonable measures to retain accommodation, indicators on:

a) number of households assessed during year, % of decision notifications issued within 28 days of date of initial presentation, number of cases open and the % who are housed, % of cases reassessed within 12 months of completion of duty

b) The proportion of those provided with permanent accommodation in council stock who maintained their tenancy for at least 12 months.

20. Domestic noise complaints -

a) The number of complaints of domestic noise received during the year which were; settled without the need for attendance on site, requiring attendance on site and not dealt with under Part V of the Antisocial Behaviour etc. (Scotland) Act 2004, and dealt with under Part V of the Antisocial Behaviour etc. (Scotland) Act 2004.

b) For those in above, the average time (hours) between the time of the complaint and attendance on site.

21. The number of trading standards complaints and advice requests received, and the proportion completed within 14 days:

22. The percentage of the road network that should be considered for maintenance treatment.

23. The net cost per premises for: refuse collection and refuse disposal.

24. The percentage of municipal waste collected during the year that was recycled or composted

25. The cleanliness index achieved following inspection of a sample of streets and other relevant land.

ACCOUNTS COMMISSION

MEETING 10 NOVEMBER 2011

REPORT BY DIRECTOR OF BEST VALUE AND SCRUTINY IMPROVEMENT

BV AUDIT OF FIRE & RESCUE – UPDATE ON AUDIT PROGRAMME

Purpose

1. The purpose of this report is to update the Accounts Commission on the progress being made in carrying out the BV audits of fire and rescue and to provide a proposed timetable for the various reports to be considered at Commission meetings over the next few months.

Background

2. Our BV audits are being carried out within the context of the Scottish Government's plans to create a single national fire and rescue service. Consultation on its detailed proposals ended on 2 November and the exact timetable for implementation is still to be announced.

3. At its meeting in April this year, the Accounts Commission approved a programme of BV audits to be carried out at each of the eight Scottish fire and rescue services and authorities. These reports are being prepared by the Controller of audit, in accordance with Section 102(1) of the Local Government (Scotland) Act 1973. It was agreed that these audits would be more targeted and focused than other BV audits, with an emphasis on local accountability.

4. Commission members also agreed that a national overview report on fire and rescue should be prepared in accordance with Section 97A of the Local Government (Scotland) Act 1973. This report will seek to summarise the key findings from the local reports, as well as a limited number of other issues that are being addressed at a national level. With the future reorganisation of Scottish fire and rescue, this report will aim to be forward-looking, summarising the areas of good practice that should be retained and highlighting the areas of weakness which need to be addressed.

Local reports

5. In line with our audit plan, fieldwork has now been completed at all eight fire and rescue services and authorities. Draft reports, for Central and Tayside, have now been issued to the relevant chief fire officers and conveners for factual accuracy agreement. Other local reports are at various stages of completion.

6. The audit process has worked well, particularly the use of four peers from Grampian, Lothian & Borders, Strathclyde, and Tayside fire and rescue services. While a standard audit scope and coverage has been applied at all eight fire and rescue authorities, the audits have identified a significant range of findings emerging for the eight fire and rescue authorities in areas such as service delivery and performance management. The have also identified a range of areas of good practice which can be highlighted in the national overview report.

7. Accounts Commission link members were appointed for each of the local fire and rescue audits. So far, the audit team has met with link members for five of the audits, providing

them with an informal briefing on the audit process. Meetings on the three remaining audits (Highlands & Islands, Lothian & Borders, and Strathclyde) are scheduled to be completed over the next two months.

8. As shown in the attached timetable, we are planning to provide the eight local reports to the Accounts Commission over its next four meetings, with two reports being submitted for consideration at each meeting. The first two reports, on Central and Tayside, would be published on the Commission's website in January. The last two reports, on Strathclyde and Highlands and Islands, would be published in March, in advance of the Scottish local elections and the arrangements for suspending the publication of audit reports (which are in place from 22 March to 4 May).

9. The programme of publishing eight BV audit reports over the course of four months is very challenging. In particular, we will need the clearance meetings with chief fire officers to go smoothly to avoid any significant delays. On balance, we think the timetable is achievable, but we will provide Commission members with a further update should any change to the programme be necessary.

National overview report

10. As agreed by Commission members earlier this year, we are also working towards providing a draft national overview report on fire and rescue. An important element of this report will be a summary of the key issues highlighted in the eight local fire and rescue reports. In addition, the report will reflect the results of national audit work undertaken on other issues, such as sustainability and workforce diversity, which were not covered in the local audits. With the planned reorganisation of Scottish fire & rescue, the report will aim to be forward-looking, highlighting areas of good practice that should be retained and areas of weakness that need to be addressed. It will also seek to provide some baseline information, on costs and service performance, which can be used by any potential future audit to help assess the impact of reorganisation.

11. As shown in the attached timetable, we are planning to provide a report on the emerging issues to be discussed at the Commission's meeting in March 2012. This would give members an opportunity to comment on the emerging issues and to help shape the overview report. It is then planned to provide a draft report for the Accounts Commission's meeting in April. As a draft report the Commission may wish to consider this in private.

12. Following the completion of the Scottish local authority elections, the national overview report would then be published in May.

Conclusion

13. Commission members are asked to note the proposed timetable for the local and national overview reports on fire and rescue.

Fraser McKinlay
Director of Best Value and Scrutiny Improvement
2 November 2011

ACCOUNTS COMMISSION 10 NOVEMBER 2011
PROPOSED TIMETABLE FOR FIRE AND RESCUE REPORTS

Accounts Commission meeting	Items for agenda	Publication date
December	Controller of Audit reports on: • Central Fire & Rescue • Tayside Fire & Rescue	January
January	Controller of Audit reports on: • Fife Fire & Rescue • Dumfries & Galloway Fire & Rescue	February
February	Controller of Audit reports on: • Grampian Fire & Rescue • Lothian & Borders Fire & Rescue	March
March	Controller of Audit reports on: • Highlands Fire & Rescue • Strathclyde Fire & Rescue	March
	Summary of emerging messages for national overview report	n/a
April	Draft national overview report on fire and rescue	May

ACCOUNTS COMMISSION

MEETING 10 NOVEMBER 2011

COVER NOTE BY SECRETARY AND BUSINESS MANAGER

BEST VALUE AUDIT AND INSPECTION OF LOTHIAN AND BORDERS POLICE AND POLICE BOARD

Purpose

1. The purpose of this paper is to introduce the report of the Best Value audit and inspection of Lothian and Borders Police and Police Board. The Commission is invited to consider the report and decide which of the options for action it wishes to take.

The report

2. This report is the fifth joint Best Value audit and inspection report to be produced by the Controller of Audit and Her Majesty's Inspector of Constabulary for Scotland (HMICS). The process has been influenced by the latest developments arising from the joint scrutiny planning process and BV2 development, and by the evaluation of the two pilot police Best Value audits.

3. Insofar as the report relates to the Board, it is made by the Controller of Audit under section 102 of the Local Government (Scotland) Act 1973 as amended by subsequent legislation, including the Local Government in Scotland Act 2003. The report is made by the Controller of Audit to the Commission. The report is also being sent to the Clerk of the Police Board, which is comprised of elected members from the five constituent councils – City of Edinburgh, East Lothian, Midlothian, Scottish Borders, and West Lothian. The Clerk of the Board is required to supply a copy of the report to each member of the Board and to make additional copies available for public inspection.

4. The Accounts Commission and HMICS each have statutory powers to audit and inspect BV in police authorities. The Commission is only able to take action in relation to the Best Value audit of the police authority, in this case the Board. HMICS's judgements, relating solely to the police force and Chief Constable, are outside the Commission's remit. HMICS is directly accountable to Scottish Ministers.

5. The legislation provides that, on receipt of a Controller of Audit report, the Accounts Commission may do, in any order, all or any of the following, or none of them:

    (a) Direct the Controller of Audit to carry out further investigations;
    (b) Hold a hearing;
    (c) State its findings.

Consideration of the report

6. The Controller of Audit and members of the audit team from Audit Scotland will be present at the Commission meeting to answer questions, along with Andrew Laing, Her Majesty's Inspector of Constabulary for Scotland, and HMICS staff.

7. If the Commission considers that it requires further information to proceed with its consideration of the report, it may direct the Controller of Audit to carry out further

investigations. If the Commission is satisfied with the information which it has, it may wish to proceed to make findings unless members consider that a hearing is necessary.

8. The circumstances in which the Commission may wish to hold a hearing are likely to include:

    *   where the Commission has serious concerns about the performance of a local authority as demonstrated in the audit report; or

    *   where there is a strong difference of opinion between the Controller of Audit and the local authority.

9. Findings may include recommendations and the persons to whom those recommendations may be made include Scottish Ministers, who have powers to make enforcement Directions requiring authorities to take such action as is specified in the Direction.

10. HMICS may also wish to add findings to the report in respect of the police force.

Media

11. Once the report is sent to the Board it is effectively in the public domain and may attract media interest. As with council Best Value audits, it is not intended that any media comment should be made by the Commission until it has deliberated on the report. The approach to media presentation will be agreed between the Commission and HMICS in order to ensure that the joint report together with any findings agreed by the Commission have the maximum impact in promoting improvement in police services.

Conclusion

12. The Commission is invited to:

    *   consider the joint report by the Controller of Audit and HMICS on the Best Value audit and inspection of Lothian and Borders Police and Police Board; and

    *   decide how it wishes to proceed.

Paul Reilly
Secretary and Business Manager
27 October 2011

Lothian and Borders Police and Police Board

Best Value Audit and Inspection

AUDIT SCOTLAND

HMICS HM INSPECTORATE OF CONSTABULARY FOR SCOTLAND

Prepared for the Accounts Commission and Scottish ministers

December 2011

Contents

Commission findings

Text starts here

HM Inspector of Constabulary for Scotland findings

Text starts here

Introduction

This joint report is made by the Controller of Audit to the Accounts Commission under section 102(1) of the Local Government (Scotland) Act 1973 and by Her Majesty's Inspector of Constabulary for Scotland (HMICS) under section 33 of the Police (Scotland) Act 1967.

The Local Government in Scotland Act 2003 introduced new statutory duties relating to Best Value and Community Planning. Its provisions apply to local authorities, including police authorities, and require specifically that:

- councils and police authorities secure best value (defined as achieving continuous improvement in the performance of functions)
- police authorities and chief constables participate in the community planning process.

The Act also amended the audit arrangements set out in the Local Government (Scotland) Act 1973 to cover Best Value and gave powers to the Accounts Commission to examine Best Value in police authorities. HMICS has a statutory duty under section 33 of the Police (Scotland) Act 1967 to inspect police forces and common police services, and to report to ministers on their state and efficiency. The 2003 Act extends this to include provision for HMICS to inquire into and report to Scottish ministers on whether a local authority is carrying out its functions both as a police authority and in relation to a number of matters including Best Value.

The 2003 Act is supported by more detailed statutory guidance on Best Value and Community Planning, and a series of advisory notes on specific topics such as elected member leadership. This guidance is designed to be descriptive rather than prescriptive, defining the goals that organisations should aim for but allowing them local discretion on the methods and routes they use. The Scottish Government has issued further guidance for police authorities and forces. This guidance includes Justice Department Circular 11/2003 Best Value Guidance and the Guidance for Members of Police Authorities and Joint Boards (June 2007).

The scope of Best Value and Community Planning is broad and the guidance and statute indicate that a successful police authority will:

- work in tandem with the chief constable to develop a clear set of priorities that respond to the needs of the community in both the short and longer term
- be organised to support the delivery of these priorities
- meet, and clearly demonstrate that it is meeting, the community's needs
- operate in a way that drives continuous improvement in all its activities.

Similarly, a successful police force will:

- work with its partners and the police authority/police authorities to develop a clear set of priorities that respond to the needs of the community in both the short and longer term
- be organised to deliver these priorities

- meet, and clearly demonstrate that it is meeting, the community's needs

- operate in a way that drives continuous improvement in all its activities.

The key objectives of this joint audit and inspection were to:

- assess the extent to which Lothian and Borders Police Force and Board are meeting their duties under the Local Government in Scotland Act 2003 and complying with Scottish Government guidance

- agree planned improvements with the local authorities, Force and the Board, to be reviewed by external auditors and HMICS on an ongoing basis.

As Best Value and Community Planning encompass a wide variety of activities, it is not realistic to audit or inspect everything in depth. For this reason we planned our detailed work in two ways:

- We considered all four of the Force's territorial divisions in more detail to ensure the audit and inspection took account of the different contexts and policing demands across the Force area.

- We selected certain aspects of the Force's and Board's performance for detailed investigation. We used a wide range of sources, including the Force and Board's own assessment of their performance, reports issued following external audit and inspections and the Scottish Policing Performance Framework (SPPF) to assess risks and scope our work to inform this selection.

Our joint report reflects this proportionate approach, with detailed commentary in some areas and more limited coverage in others. Our main audit and inspection work was conducted in June 2011. The report includes a corporate assessment of the Board and the Force, while the performance assessment covers only the Force.

We gratefully acknowledge the co-operation and assistance provided to the team by Councillor Iain Whyte, Convener of Lothian and Borders Police Board; David Strang, Chief Constable of Lothian and Borders Police; and all other elected members and staff involved. We are also grateful to the representatives of the five councils and the community partners who participated in the audit and inspection.

The tripartite arrangements and police authorities' leadership role

The Force is governed through a tripartite arrangement between the chief constable, the joint police board, and Scottish ministers. As the Force covers more than one local authority area, the Board comprises members from the five constituent councils. Scottish ministers have responsibility for national policy on law and order as well as the power to regulate on various policing matters including pay and conditions. The police board is responsible for setting the police budget, holding the chief constable to account and ensuring that best value is achieved. The chief constable is responsible for the operational aspects of policing within the force area.

The effect of these arrangements is that the Board and the Chief Constable, although they have different roles, must work in tandem to achieve best value. In this report, we only make

judgements on the board and force, but all parties to the arrangement, including the Scottish ministers, have responsibility for the overall performance of the police service.

Constituent councils are responsible for appointing the members of the police board and for allocating funding. The board is a separate legal entity and councils have no separate residual responsibilities beyond appointing members and funding.

The existing guidance for policing (Circular 11/2003 and Guidance to Members, June 2007), sets out expectations of the board. More details can be found at Appendix 1 of this report.

Summary

Overall conclusions

1. Lothian and Borders Police Board (the Board) and Lothian and Borders Police Force (the Force) show a strong commitment to working together to secure community wellbeing through a clear focus on crime prevention and public protection. They have established widespread stakeholder support for this strategy through effective partnership working at local level, engagement with community groups and the public. Overall, Force performance is good, but there is scope for further improvement in some key areas.

2. The Board is improving its approach to Best Value. The Convener demonstrates a strong commitment to his role and has a clear knowledge and understanding of strategic issues facing the Force and the police service more widely in Scotland. Board members too have a good understanding of policing matters and priorities in their local areas and their views and priorities fit well with the focus on community policing. However, the Board now needs to build on the work it has started to develop a more consistent and shared understanding of Board members' roles and responsibilities, particularly in relation to developing policing priorities in partnership with the Chief Constable and in relation to scrutinising Force performance.

3. The Board receives good information on Force performance and the Board's arrangements for oversight of the Force's finances are effective. However, in practice, scrutiny of the Force is inconsistent. The Board's approach to scrutinising other aspects of resource management, including property and human resources, is under-developed. The Board also needs to provide stronger challenge in relation to the Force's performance and the Force's improvement programme, and to improve scrutiny of the Force's progress against its longer-term objective of community wellbeing.

4. The Board demonstrates a strong commitment to improvement and good self-awareness of where it needs to improve, which is reflected in its comprehensive Best Value improvement plan. The Board now needs to consider and agree how it will maintain focus and direction in its improvement agenda, in the context of likely changes in policing structures in Scotland.

5. There is strong ownership of the Force's partnership and outcome-based policing philosophy at senior level within the Force and amongst partners, but it is not universally understood by all staff. The Force is in the process of developing measures against which delivery of this community wellbeing agenda can be assessed. The Force is aware that it needs to strengthen the connection between the Force's vision, performance management and internal governance arrangements to better demonstrate that it is effectively directing resources towards its strategic priorities.

6. The Force has a well developed approach to community policing which is highly regarded by key stakeholders and partners. Its comprehensive community policing model and effective local partnership working has enabled the Force to deliver well tailored policing solutions across the five council areas served by the Force. The Force's model of devolved autonomy

to divisional command teams is being challenged by the reduction in the Force budget, which has necessarily required a more corporate style of decision making relating to staffing and financial management. This has created a period of flux that is to be managed by the Transforming the Service (TTS) programme until such times as the future policing model for Scotland is delivered.

7. The Force demonstrates a commitment to continuous improvement. The TTS change programme has been successful in enabling the Force to reduce its budget and has delivered and identified some important structural changes to be made, the full impact of which is yet to be evaluated. The Force has clear plans in place to deliver a balanced budget for 2011-12 and is developing a comprehensive approach to the anticipated longer-term financial challenges.

8. The Force continues to demonstrate improved outcomes for its communities with year on year reductions in crime and disorder. The Force delivered a 7.2 per cent reduction in overall crime in 2010-11. There are some areas for improvement, including an increase in serious crimes of violence, and crime detection and service user satisfaction rates which have remained relatively static in Lothian and Borders.

9. The Force's senior management demonstrate clear leadership of equality and diversity, gaining national recognition. The response to a recent high profile case demonstrates the Force's willingness to challenge itself, to learn and to make improvements to the policing of diverse communities during critical incidents.

Part 1. Context

The local context

10. Lothian and Borders Police Board and Force oversee and deliver policing across five council areas i.e. City of Edinburgh, East Lothian, Midlothian, West Lothian and Scottish Borders. The overall area extends to 6,456 square kilometres and includes about 950,000 people, around 18 per cent of the Scottish population. The Scottish Borders is the largest area and it is also the most rural, with around one quarter categorised as remote rural. While the area overall has less than 10 per cent of the most deprived areas in Scotland, where deprivation exists, around two thirds of it is concentrated in the Edinburgh area. This contrasting geography and diversity brings with it competing priorities and demands on policing.

11. There are unique challenges in policing Scotland's capital. The Scottish Parliament, government offices and consulates, a major international airport and headquarters buildings for financial institutions are all located in and around the city. Edinburgh is also a focal point for public demonstrations and is a major visitor attraction throughout the year, with particularly high visitor numbers during summer festivals and over the year-end festive period. Both City of Edinburgh Council and the Force attract additional funding from the Scottish Government to reflect these unique challenges including, for example, security considerations at royal events and visits by other dignitaries.
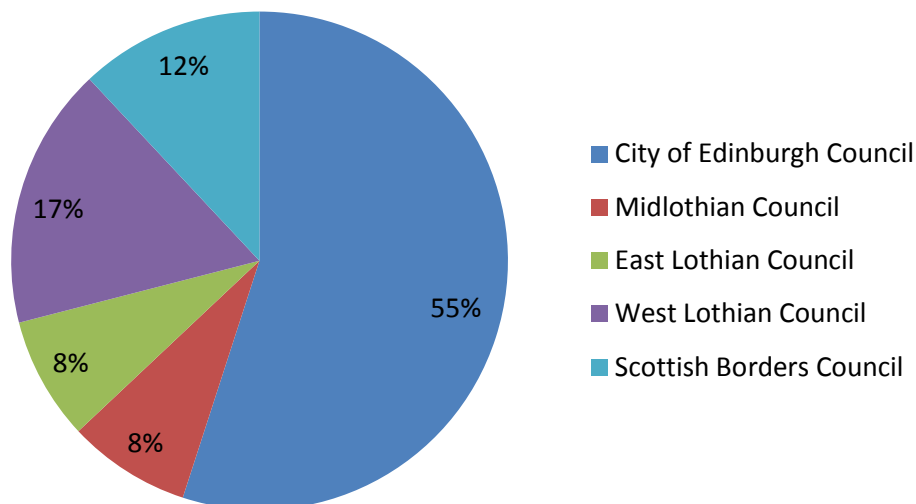
Lothian and Borders Police Board

12. Lothian and Borders Police Board's main roles are to ensure the Force is properly resourced and to hold the Chief Constable to account for policing of the Force area. The Board consists of 18 elected members: nine from City of Edinburgh, three from West Lothian, and two from each of the other three councils: East Lothian, Midlothian and Scottish Borders. Membership of the Board was determined by the constituent councils following the local government elections in 2007; the next local government election will be in May 2012.

13. The Board is responsible for a revenue policing budget of approximately £170 million. It is funded 51 per cent through specific grant funding from the Scottish Government and 49 per cent through agreed contributions from constituent local authorities (Exhibit 1). Expenditure per resident on police services in Lothian and Borders in 2010/11 was £194.90, the second highest in Scotland (the highest being £200.70 in Dumfries and Galloway).[1]

14. The City of Edinburgh Council provides committee and other administrative support to the Board. The Chief Executive of the City of Edinburgh Council is the Clerk to the Board and attends all relevant meetings. More recently, City of Edinburgh Council has provided a staff resource, equivalent to about one full-time member of staff, to support the Board's scrutiny activity and the development of the Board's approach to best value.

---

[1] Scottish Police Performance Framework

Exhibit 1

Lothian and Borders Police Board: Constituent council budget contributions

City of Edinburgh Council

Midlothian Council

East Lothian Council

West Lothian Council

Scottish Borders Council

Source: Lothian & Borders Police Board Annual Accounts 2009-10

15. The Board meets five times a year, on an approximately eight week cycle. Members also serve on the following committees, all of which report to the Board:

- Audit and Scrutiny Committee: to ensure sound financial procedures; review and scrutinise the Force strategic and service planning process; monitor Best Value reviews; and review and scrutinise performance and resource use by the Force

- Complaints Sub-Committee: to consider reports and other information relating generally to complaints against police officers; and consider complaints or allegations of misconduct against senior police officers

- Appointments and Remuneration Committee: to appoint and select chief police officers and agree levels of increments and bonuses for senior officers

- Police Staff Appeals Committee: to consider appeals against disciplinary action and staff grievances.

16. The Board also operates three other groups which, while not formal committees, make important contributions to Board business:

- Policy and Best Value Working Group: to ensure that best value is achieved for the Board; and discuss the development of policy and make recommendations to the Chief Constable

- Police Liaison Group: to provide a forum for informal consultation between the Police Board and the Police Staff Associations of the Force

- Joint Consultative Group: to provide a means of consultation between the Board and the staff of the Force.

Lothian and Borders Police

17. Lothian and Borders Police Force covers five local authority areas and is staffed with around 3,000 police officers and around 1,200 police staff. The territorial policing divisions and specialist headquarters divisions, including Crime Division and Operational Support Division, are largely autonomous strategic business units. The Force Executive sits over the divisions and follows a traditional structure, with a Chief Constable, Deputy Chief Constable and two Assistant Chief Constables. The most senior police staff member is the Director of Resources. The majority of divisions and departments also follow traditional lines, each headed by a Chief Superintendent or police staff equivalent.

18. The territorial divisions are arranged as at Exhibit 2:

- A-Division – The City of Edinburgh

- E-Division – East Lothian and Midlothian

- F-Division – West Lothian

- G-Division – Scottish Borders

Exhibit 2

Lothian and Borders Police Area and Territorial Divisions

Source: Lothian and Borders Police

19. The City of Edinburgh Division has the highest levels of demand, including disorder, serious crime and capital city responsibilities. Due to its demography and in comparison with the other territorial divisions, the City of Edinburgh is separated into three operational command areas; Central Edinburgh, Western Edinburgh and Eastern Edinburgh. Last year saw the introduction of Safer Neighbourhood Teams across Edinburgh contributing to significant reductions in vandalism and theft by domestic housebreaking. The Division's Serious Organised Crime Unit (SOCU) continued to successfully tackle crime relating to drugs, money laundering and firearms. The SOCU has now been absorbed within the Crime Division to rationalise crime and intelligence resources and provide the same level of service across the entire Force.

20. By contrast, Scottish Borders is the largest area, greater than the other divisions put together, presenting unique rural policing challenges. As well as reducing crime, public reassurance is a high priority for the Division. Community police numbers have been increased and their Safer Communities Team is now located alongside local authority staff to impact on anti-social behaviour, road casualties, protecting vulnerable persons and reducing harm caused by alcohol and drugs.

21. East Lothian and Midlothian form one territorial policing division meaning that the senior management team are working to deliver policing services within two separate community planning frameworks. There is a strong partnership ethos across both East Lothian and Midlothian which has been used to good effect to reduce crime, tackle under-aged drinking and to engage with schools on the issues of anti-social behaviour, alcohol and drugs.

22. West Lothian Division is also distinctive because of the unique co-location of the police within the West Lothian Civic Centre. Closer partnership working and joint tasking has been a success, leading to significant reduction in crime, vandalism and youth disorder. Also of note is the way the Division has engaged with partners to reduce domestic violence and hate crime.

23. The Force aspires to deliver community wellbeing over the long term, by tackling the root causes of crime and disorder and protecting vulnerable communities through strong partnerships and locally focussed community policing. In response to the police service in Scotland experiencing significant reductions in overall budget, Lothian and Borders Police set up a Force-wide project "Transforming the Service" (TTS) to proactively manage reductions in staff, together with structural and procedural changes.

Part 2. Corporate assessment

Vision and strategic direction

Lothian and Borders Police Board

The Board endorses the Force's vision and strategic direction for policing in the Lothian and Borders area. While it is improving the way it works together with the Force to develop the vision and to identify policing priorities, Board members need to develop a more consistent and shared understanding about their role in this process.

24. Lothian and Borders Police Board endorses the Force's strategic plan and its priorities. However it recognises the need to engage more actively in the process, as part of its responsibility to work in tandem with the Force to achieve best value and to ensure the strategic plan reflects the Board's understanding of the policing needs of local people and communities.

25. The Board is taking steps to address this and has, for example, held strategy seminars and allocated more time at Board meetings to discuss strategic policing matters. This is a positive development which reflects the Board's strong commitment to improving how it works and how it works with the Force to deliver policing for the Lothian and Borders area.

26. However, to maximise the effectiveness of this approach in practice, there needs to be a more consistent and shared understanding across Board members about what this aspect of their role requires. Board member experience and understanding varies and some members reported that they are unsure about the boundaries between the role of the Board and the Force in relation to policing strategy.

Lothian and Borders Police

The Chief Constable's philosophy of prevention underpins a distinctive and long term vision for policing in Lothian and Borders. The strategic direction is based on consultation with, and reflects the views of, local people and is well supported by the Police Board, stakeholders, partners and senior managers within the Force. There remains a risk in that the strategy is not yet universally understood by operational officers and staff.
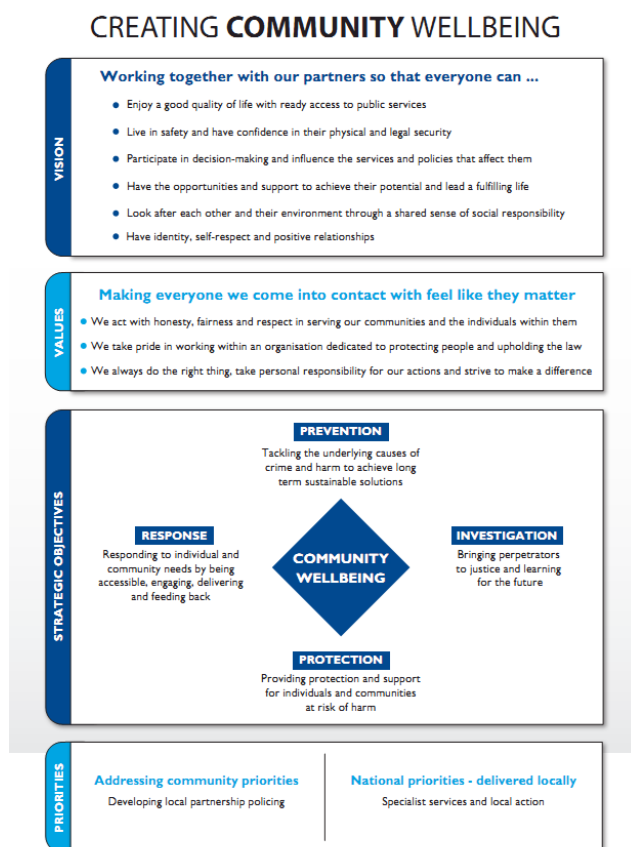
27. The Force aims to create community wellbeing through preventing crime, responding to and investigating incidents and protecting communities, particularly the most vulnerable. The underlying philosophy of the Chief Constable is expressed in the 2011-14 strategic plan as follows: "By tackling the social issues at the root of crime, we can break the cycle of offending and improve the quality of life for your community as a whole." This is a distinctive long term vision that together with partner agencies, seeks to deliver safety, security, protection and confidence in communities. Strong relationships with stakeholders and partners underpin the

long-term vision and strategic direction. All local authority chief executives, councillors, Police Board, senior police managers and partners we spoke to were unanimous in their active support of the overarching vision and strategic intent.

28. There is strong ownership and a good understanding of the Chief Constable's policing philosophy amongst Superintending ranks and senior police staff managers, with less of an understanding at middle management and the front line, particularly those not directly involved in community policing and partnership working.

29. The "Blue Diamond" corporate planning framework (Exhibit 3) encapsulates the philosophy of the Force and its overarching approach which is to deliver national priorities locally and community priorities through local partnership policing.

Exhibit 3

Lothian and Borders Police: Vision, Values, Objectives and Priorities

CREATING **COMMUNITY** WELLBEING

VISION — Working together with our partners so that everyone can ...
- Enjoy a good quality of life with ready access to public services
- Live in safety and have confidence in their physical and legal security
- Participate in decision-making and influence the services and policies that affect them
- Have the opportunities and support to achieve their potential and lead a fulfilling life
- Look after each other and their environment through a shared sense of social responsibility
- Have identity, self-respect and positive relationships

VALUES — Making everyone we come into contact with feel like they matter
- We act with honesty, fairness and respect in serving our communities and the individuals within them
- We take pride in working within an organisation dedicated to protecting people and upholding the law
- We always do the right thing, take personal responsibility for our actions and strive to make a difference

STRATEGIC OBJECTIVES

PREVENTION — Tackling the underlying causes of crime and harm to achieve long term sustainable solutions

RESPONSE — Responding to individual and community needs by being accessible, engaging, delivering and feeding back

COMMUNITY WELLBEING

INVESTIGATION — Bringing perpetrators to justice and learning for the future

PROTECTION — Providing protection and support for individuals and communities at risk of harm

PRIORITIES

Addressing community priorities — Developing local partnership policing

National priorities - delivered locally — Specialist services and local action

Source: Lothian and Borders Police

30. The Force has effective arrangements in place for delivering national priorities in local communities. At the same time, an effective community engagement strategy and public consultations mean that the strategy and vision are informed by the views of local people. In order to ensure national priorities are delivered consistently throughout the Force each national priority has a nominated senior police officer to "champion" the Force response to

ensure a strategic focus and leadership across the organisation in addition to their divisional responsibilities.

31. In the context of a Force making clear progress on an ambitious strategic journey, there is a risk to be managed, where some staff have a poor understanding of the Force priorities and their role in delivering them. The Force would argue that policing is about "managing ambiguity" and that it is the role of local managers to provide clarity about local priorities. Whilst that may be appropriate, the inspection team found clear examples of managers, officers and staff having failed to gain that clarity. The Force needs to continue to develop the understanding of the vision and strategy at all levels of the organisation, as well as the leadership role of supervisors and managers in clarifying and delivering priorities at the frontline.

32. The vision, policing philosophy and overall strategic approach of the Force is good. However, the Force recognises that there is still work to do to develop performance and resource management systems that better reflect and support the delivery of the strategy, priorities and objectives.

Governance and accountability

Lothian and Borders Police Board

Governance is generally sound, with the Convener providing strong and effective leadership. The Board needs to build on the work it has started to develop members' understanding of their roles and responsibilities; more focussed training and development is needed to help build members' confidence and capacity. There is scope for stronger scrutiny of Force performance and the Force's improvement programme.

33. The Convener demonstrates strong commitment to his role and has a clear knowledge and understanding of the strategic issues facing the Board and the Force. He is widely respected by other Board members and senior officers in the Force and by key stakeholders, including the constituent councils. He is also actively involved in policing matters at a national level through his chairmanship of the Scottish Police Authorities Conveners' Forum, which reinforces his standing and credibility.

34. The Board recently sought to clarify its remit and debated members' roles and responsibilities. This has helped to develop members' knowledge and understanding. The Board now needs to continue this work and build on it to strengthen its approach in key areas including:

- contributing to and endorsing the policing strategy for the area

- scrutinising Force performance and Force improvement activities

- participating in local partnership organisations, including members' responsibilities to the constituent councils that appoint them

35. Many members reported that they would have welcomed more training and development following their appointment in 2007. While the Board has arranged seminars for members and has recently introduced a training directory which includes input from the Force, it acknowledges the need for further improvements to its arrangements for member training and development.

36. The absence of induction training in 2007 is significant in view of the high number of new members appointed to the current Board at that time; only five of the 18 members before the 2007 election remained on the Board after the election. A formal induction process is now in place and this has been applied recently in the case of two new members. The Board needs to assess the effectiveness of these new arrangements, prior to the local government elections in 2012, to ensure that members receive sufficient training to allow them properly to understand and carry out their duties at a time of significant change to Scotland's policing. More generally, the Board needs regularly to assess training needs and to ensure an on-going training programme for members which is relevant, effective and takes account of resource and budget constraints.

37. Clerking and administrative support has been provided for a number of years by the City of Edinburgh Council. This function also administers, on the Board's behalf, its Custody Visiting Scheme and its Lay Diversity Advisors Scheme. These processes work well and contribute to good governance.

38. In recent years, the level of officer support from the City of Edinburgh Council has increased to include support for the Board's best value agenda. This involves professional policy advice and analytical support and, in total, equates to about one full-time officer. Members recognise and welcome the added value from this support but offered different views on whether it was sufficient. This suggests a need for further discussion at the Board so it can satisfy itself that the level of support is of the right type, amount and quality. The discussion should take place in the context of the Board's improvement plans, the need to strengthen scrutiny and against the backdrop of reducing budgets.

39. The remit of the Audit Committee, which is chaired by a Board member from a political party different from that of the Board Convener, was expanded in November 2010 to include a scrutiny function and to take on some responsibilities of the Policy and Best Value Working Group. While members support the ability of the Working Group to scrutinise more sensitive areas of police policy and activity, the respective roles of the Committee and Group are unclear. There is also a risk that the new expanded role of the Audit and Scrutiny Committee may mean that it does not have sufficient time available to cover fully its two distinct functions of audit and scrutiny.

40. Faced with reducing budgets and increasing demands and, more recently, the likelihood of restructuring of police services nationally, it is important that the Board provides effective oversight and challenge of the Force's change and improvement agenda. Exhibit 4 sets out the specific scrutiny areas currently covered by Board members. A 'champion' member approach was introduced in 2007 in which Board members were given individual responsibility

for overseeing specific aspects of the Force's activities, ranging from specific operational divisions through to corporate areas such as finance.

41. This has worked well in some cases and has equipped members with knowledge and understanding of these aspects and has helped to develop constructive working relationships. However, the effectiveness of the approach varies. Some areas, such as finance, currently have no members allocated to them. Some members reported that they were unsure of what was expected of them in these roles, including the arrangements for drawing issues arising to the attention of the Board. In some cases, members informed us that they did not consider the 'champion' areas as a priority compared with other aspects of their work.

42. A similar lead member approach was taken in relation to the Force's TTS strategic change programme. While this aspect of the lead member role has improved members' understanding of the Force's change plans, it has not translated into consistent and stronger scrutiny at Board and committee meetings. The Convener has the opportunity to challenge the Force's plans and progress as a member of the programme board and reports are made by the Chief Constable to Board meetings. However, Board scrutiny of TTS needs to be stronger.

Exhibit 4

Scrutiny areas covered by individual Board members

'Champion' Areas: Departments	'Champion' Areas: Special Interests	Transforming the Service
Central Services "Z" Division	City Centre Policing	Programme Management
Professional Standards	Best Bar None Scheme	Restructuring
Corporate Development	Wildlife Crime	Responding to Demand
Serious & Organised Crime	Event Safety	Major Crime
Criminal Justice Admin	Child Protection	Overtime
Custody Visiting	Domestic Violence	Prevention
Diversity Lay Advisers	Licensing	Support Processes
Finance	Youth Offending	People Policy
HR & Training		Shared Services
ICT		Income Generation
Corporate Communications		Divisional Savings
Operational Policing		
Operations "O" Division		
Safer Communities "T" Division		
CID "X" Division		
Health & Safety		
Serious Crime and Drug Enforcement Agency		

Source: Lothian and Borders Police Board

43. Overall, to ensure more consistent and stronger scrutiny, members need to build greater confidence in this aspect of the role through better training and a clearer understanding of what is required of them. In particular, the Board needs to strengthen its approach to scrutiny

of Force performance and the Force's improvement activities. The next phase of TTS provides an opportunity for the Board to build on its arrangements and to ensure they are clear, effective and practicable and take account of the time which members have available.

44. The Complaints Sub-Committee provides good oversight of complaints or allegations about the conduct of police officers. It meets regularly, and every second meeting includes a 'dip sampling' process, in which the Committee reviews a number of randomly selected closed complaint files. This allows members to gain a good level of assurance about the rigor and effectiveness of the Force's complaint handling.

Lothian and Borders Police

The Force maintains an effective working relationship with the Police Board and responds positively to scrutiny and challenge. The Force is developing its approach to continuous improvement through its strategic change programme, TTS. The Force communicates decision making in an open and transparent way across the organisation. The Force has a systematic approach to managing risk, but internal governance structures need to be implemented to support the Force.

45. The Force demonstrates a commitment to Best Value, including the use of self-assessment and the production of a Best Value improvement plan. The Best Value framework has been adopted as the agenda structure at executive and board level meetings which are often attended and supported by the Convener. The Force also benefits from non-executive support and Lay Advisors both of whom add value to the governance of the Force by way of external assurance, guidance and wider experience and perspectives. Relationships with the Police Board, Lay Advisors and non-executive directors are appropriate, challenging and valued by the Force.

46. The principles of continuous improvement, efficiency and effectiveness are well embedded in the TTS programme and are a central consideration in each of the programme work-streams. TTS includes the Convener and Vice-Conveners as members of the Governance Board. In addition, a member of the Force Executive leads on each strand of the programme, ensuring there is strong oversight of the work and responsibility at Executive and Board level. In addition to these clear lines of accountability, the TTS communication strategy stands out as an example of how change and decision making can be communicated in an open, transparent and inclusive way across a large geographic area and through multiple media.

47. The Force devolves a great deal of responsibility and decision making to divisions which have traditionally been managed as autonomous strategic business units. TTS has involved a more centralised and cross-cutting approach which whilst it has diluted the autonomy of individual divisions it has enabled the Force to address the immediate financial challenges it faced in 2010-11. The extent to which TTS will enable the Force to meet medium term financial challenges and to maintain service levels through structural change is to be fully reviewed by the Force. However, in the short term, the Force has proactively positioned itself to deal with any future decision on policing structures in Scotland, by making necessary reductions to the workforce and changes to the way it operates.

48. The Force has a systematic approach to managing risk, but recognises there is room for improvement. Internal governance structures are currently being revised and centralised into a new review and co-ordination function entitled Business Assurance. The intended function of Business Assurance is to work with, and provide support to, senior management teams and to report on issues of compliance, audit, inspection and efficiency and effectiveness. In the context of the prevailing leadership ethos of autonomy and devolved responsibility, how the relationship between the Business Assurance section and the divisions will be managed is unclear at this time.

49. The Force shows some good progress in developing the scrutiny, management and handling of complaints against police. [2] The Deputy Chief Constable leads on behalf of the Chief Constable in answering detailed questions from the Police Board in relation to complaints and conduct matters. The Professional Standards Department have implemented new practices that have cut bureaucracy, reduced investigation times and improved the resolution of issues for members of the public more speedily. Within the management of complaints there is informal capture and dissemination of good practice and learning. There is an opportunity here to formalise the management of organisational learning as a means to furthering continuous improvement across the Force.

Community engagement

Lothian and Borders Police Board

Board members have a good understanding of policing matters and priorities in their local areas. There is scope for the Board to share the learning from existing good practice across the Board area.

50. Board members demonstrate a good understanding of policing related issues in their area and what local people most expect from the police. There is also evidence of strong working relationships between Board members and their local commanders and other local senior and frontline police officers. There is scope for the Board to make more effective use of feedback from community engagement to inform its contribution to strategy development and its scrutiny of Force performance. Currently this type of activity is limited to reporting the Force's formal customer survey at a Force-wide level.

51. The Board recognises the need to develop its role in overseeing the Force's community engagement activities. There is an outstanding (and overdue) commitment in its Best Value Improvement Plan for the Board to examine more closely how community engagement and partnership working is being used by the Force to improve its targeting of resources and deliver better outcomes. This is particularly important in view of the wide variation in approaches employed by the Force in its territorial divisions and the opportunity this offers to share the learning from innovative and effective community engagement.

---

[2] The inspection team did not exam individual cases, which fall within the remit of the Police Complaints Commissioner Scotland, rather made some general observations about performance in this area.

Lothian and Borders Police

Community engagement is an area of strength for Lothian and Borders Police. The Force approach to community policing is widely regarded and supported by key stakeholders and partners. The Force operates a comprehensive community policing model and engagement strategy, tailored to the particular needs of each local authority area.

52. The inspection team consistently found evidence of excellent working relationships between local command teams, Neighbourhood Policing Teams and local authority partners. The Force has a comprehensive community policing model and engagement strategy, tailored to the particular needs of each local authority area. In 2010 the Force launched their Community Commitment to improve public consultation and engagement in setting local policing priorities. There is clear evidence of community planning structures and processes improving with a greater focus on listening to local communities, for example at citizen panels, when shaping and delivering against single outcome agreements (SOAs).

53. Local Authority Chief Executives and councillors unanimously support the Force approach and are keen to continue funding community officers because of the tangible benefits to entire communities in terms of reduced crime and disorder. Similarly, the Force has maintained its commitment to community policing despite budgetary constraint elsewhere and this remains a high priority area for this Force. There remains a risk across the Force with potential consequences to the success of community policing in Lothian and Borders should either local authority or police budgets be reduced further and the Force should plan contingencies to help mitigate against any such eventuality.

54. There is a strategic challenge in managing community policing within a highly autonomous and devolved police structure. The Force has made significant investment in understanding the needs of different communities through engagement and analysis as evident in the production of detailed ward and community profiles. How the local delivery of community policing is connected into the strategic management of performance is less clear. The Force is actively reviewing how it will manage the delivery of community policing priorities at Force, divisional and neighbourhood levels. In general, police involvement in community planning arrangements, including the design and delivery of SOAs, were found to be of a high standard, with strong local authority involvement at tactical and practitioner level. In some instances SOA targets could be more challenging and locally focussed.

55. The Force employs a range of methods to inform the community about its services and performance. Accessibility to information has recently been much improved by the implementation of a new public facing website. The website allows members of the public to identify their local community policing teams and to obtain crime information relevant to their communities through a postcode search facility.

Partnership working and community leadership

Lothian and Borders Police Board

The Board acknowledges the need to develop further its approach to partnership working. It needs to develop further its links with local partnerships, ensure greater consistency in its participation in partnerships and improve its oversight and scrutiny of Force partnership working.

56. The Board recognises the need to strengthen its approach to partnership working, and is taking steps to develop its links with local community planning partnerships (CPPs) and constituent councils. This includes considering reports on community planning activity in specific council areas and meetings involving the Convener and the Chief Constable and community planning partnerships and council leaders. The Board also produces newsletters for use by Board members to support members' on-going dialogue with their local CPPs.

57. However there is scope to develop these arrangements. In particular, the Board does not consider performance information on relevant aspects of CPPs' SOAs or local community safety strategies. There is also limited evidence of the Board critically examining and learning from different approaches to partnership working across the five constituent community planning partnership areas. In view of the Force's drive for flexibility in local partnership working to meet local needs, the Board also needs to ensure better oversight of the Force's activities and ensure that good practice is shared across its area.

58. Links between the Board and local community planning and community safety structures are inconsistent. The Board is taking steps to review, strengthen and develop its approach and arrangements. A more joined-up and systematic approach offers the potential for more effective community safety partnership working which would further enhance Board members' understanding of the policing needs and response in local communities.

Lothian and Borders Police

Lothian and Borders Police works effectively with a range of strategic and tactical partners with a view to enhancing community wellbeing. The Force actively collaborates with other partners to achieve efficiencies and improved outcomes. There are some examples of good practice in this area, with some room to improve further the sharing of information and good practice between partners.

59. Within the Force leadership ethos, partnership working is key to delivering community wellbeing. At a strategic level Edinburgh Lothian Borders Executive Group (ELBEG) comprising the chief executives of each of the local authorities, meets to provide collective joined-up leadership across the policing area.

60. The inspection team found evidence of excellent and effective partnership working across the Force, but also some weaknesses. The most successful partnerships were characterised by strong relationships between police and partners, good information sharing arrangements, dedicated analytical support and a clear impact on crime and disorder. Other partnerships

were found to be less effective. There were a number of instances where partnership working was hampered because of a lack of analyst support or from access to partner information. Senior police managers articulated how some partnerships would benefit from better information sharing and use of analytical assets.

61. The Delphinus Group and Operation Focus were both highlighted in the Scottish Police Awards 2010 for excellence in partnership working. Operation Delphinus was commended for being the first partnership of its kind in Scotland to recognise that national security initiatives can be effectively delivered through a multi-agency approach involving key partners in the public, private and voluntary sectors. Operation Focus was also highly commended for taking a partnership approach to tackle the illegal supply of drugs in West Lothian. A six month intelligence exercise not only led to 63 people being arrested, but was supported by a sophisticated community reassurance response, involving NHS Lothian, West Lothian Council, West Lothian Drug and Alcohol Service and a number of voluntary groups.

62. Also of particular note in Lothian and Borders is Operation Amethyst, delivering a high quality multi agency public protection service. Public protection arrangements in Force are very good, with a well informed and joined-up approach to effective multi-agency operations. Amethyst was referred to by managers when citing how other areas of policing might benefit from a multi-agency case conference approach, for example in the management of violent offenders.

Exhibit 5

Midlothian Community Safety Team Case Study

The Midlothian Community Safety Team includes seconded police officers, local authority liaison officers and funded Community Action Team officers who won a highly commended award at last year's Scottish Policing Awards. The Community Safety Team, supported by Midlothian Council, has had a significant impact on reducing incidents of anti-social behaviour in the area. Since 2008, vandalism in the area has been reduced by approximately 40 per cent, accompanied by a decrease in calls to the Council's anti-social behaviour help line. In addition, the partnership analyst compiled the Midlothian Community Planning Strategic Assessment, the first of its kind in Scotland and one that links the five Scottish Government strategic objectives to the local Community Planning Partnership and identifies opportunities and areas for action between partners.

Source: HMICS

63. It is not clear how the Force routinely reviews and evaluates the impact and effectiveness of partnerships working. Neither is there clarity about how resources are committed to partnerships to ensure the right skills mix, including access to appropriate analytical skills. The Force has the potential to enhance partnership working and build on existing excellence, by strategically managing the resources and performance of partnerships, collaborating further on the sharing and analysing of information and evaluating and disseminating best practice across the partnerships.

Performance management and improvement

Lothian and Borders Police Board

The Board's Best Value improvement plan demonstrates a good self-awareness about what it needs to do to improve and develop. The Board receives good quality information on Force performance but gaps exist. The Board needs to be more consistent in scrutinising the Force's performance and its progress towards longer term objectives.

64. The Board's Best Value improvement plan sets out what it needs to do to improve and develop. The plan was adopted in August 2010, based on a self-assessment exercise carried out earlier that year. It provides a focus for improvement and development and has helped to support an increase in the pace of change.

65. The plan (summarised in Exhibit 6) demonstrates good self-awareness but there is scope for clearer objectives, targets and timescales. The plan is nearing the end of its term. Most of its objectives have been achieved and action is planned in other areas. The Board now needs to consider what it needs to do to maintain momentum, in the context of likely changes in policing structures in Scotland. One comprehensive action plan covering all areas of development and including improvement points from this audit and inspection will help maintain focus and direction.

Exhibit 6: Lothian and Borders Police Board: Best Value Improvement Plan

Vision and strategic direction
- More active involvement of Board members in debate on priority setting, and for the Board to take a more active role in agreeing and owning a vision for local policing.
- The Board should participate more intensively in the ongoing process to develop a vision and strategic priorities for policing, in conjunction with the Force (more proactive involvement in the Force Organisational Strategic Assessment process).
- Include specific items/opportunities on Board agendas to enable (and evidence) debate on the balance between national and local risks and issues.
- Stronger links with other Police Boards through Conveners Forum.
- Prepare and present a suite of reports on the main aspects of policing strategy.
- Improve level of contact between Board members (other than Convener) and senior Force officers, and scope to extend the Board's ability to challenge and scrutinise within a context of productive working relationships.

Partnership working & community leadership
- Regular reporting to Board as to what is being achieved through partnership working, eg community safety partnership activity.
- Scope to develop the role of the Board in this area through individual members' own local partnership activities and through enhanced relationships with partnerships and community planning structures.
- Meetings/interface with Community Planning Partnerships.
- Meetings with Council leaders.

Community engagement
- Report high level results from consultation and community engagement.
- The Board should also examine more closely the extent and impact of community engagement on policing outcomes.
- The Board should satisfy itself that all relevant information is provided in appropriate languages and formats.
- The Board website should be updated to reflect an enhanced emphasis on accessibility.

Governance and Accountability
- Improve publicity for Board meetings and papers through the website and related communications activities.
- Scope to promote more active debate on performance against service standards.

- Prepare and agree formal protocol to define member/officer roles and responsibilities.
- Make systematic provision of training available to members who require this.
- Recording of business should consider the need to take account of scrutiny and debate.
- Targeted use of media to promote Board activities.
- Brief Chief Constable's report to each Board meeting.
- Programme of member visits to key Police personnel.
- Restructure P&BVWG along Scrutiny Committee lines.

Performance management & improvement
- Regular reports on risk management and HR, IT, information and property management performance.
- Reports on Community Planning and Community Safety Strategies to be presented to the Board.
- Scope to give customer satisfaction and customer response information a higher profile in the Board's performance monitoring activities.
- Present unit cost information to Board alongside performance information.
- Improved performance information at the local level.
- Scope to increase the extent of scrutiny of performance information.

Use of resources
- Enhanced involvement in the budget development process through involvement of members in informal seminar event on setting priorities.
- Board to develop its own risk register through the Audit Committee.
- Completion and presentation of financial management strategy to Board.
- Presentation of workforce plan/strategy to Board.
- Reports on strategic overview of ICT issues, developments and priorities to Board.
- Post investment appraisal of West Lothian Civic Centre to be provided.

Equalities & sustainability
- Systematic reports on all aspects of Force activity on equalities, including performance and compliance, should be made to the Board.
- There should be an annual strategic report on equalities issues and performance across the Force.
- The Board's action plans for 2008/09 should be reviewed and updated.

Source: Lothian and Borders Police Board

66. The quality of performance information presented by the Force to the Board is good but there is scope to develop this further. Current information is based on indicators from the Scottish

Policing Performance Framework (SPPF). The Board considers a 'dashboard' of selected key performance information and an accompanying summary report, while the Audit and Scrutiny Committee considers a more detailed report. However, there are some gaps which, if filled, would give the Board a fuller overall picture of performance and better support performance scrutiny. For example:

- There may be scope for a more systematic, comparative performance analysis to compare and contrast Force performance over time. There may be opportunities further to extend this approach to compare and contrast with other police forces

- Customer opinion information is considered on a formal basis by the Board only at Force level, without a breakdown of information on a divisional basis

- There is limited cost related information. The Best Value improvement plan includes a commitment to explore the police objective analysis model of information reporting, which supports consistent recording and analysis of expenditure

67. Board members question and challenge senior police officers on the information provided by the Force. They are supported in this by briefings and analysis provided by the City of Edinburgh Council support officers. However, in some cases, the level of debate and detailed questioning is inconsistent and can often focus on specific observations from individual members about performance in their divisional areas, rather than Force performance overall. Some members' lack of clarity about the respective roles of the full Board, its committees and working groups also contributes to inconsistency in scrutiny. Some members can be unclear about what is appropriate to raise in each forum and can lack confidence to contribute. Debate and detailed questioning can also be limited by the amount of business to be covered at Board meetings.

68. The vision for policing adopted by the Board and Force centres on community wellbeing through prevention and protection and involves outcomes which are by their nature longer-term. The Board needs to ensure its scrutiny activity focuses on both the Force's progress towards those long term objectives and the Force's current performance in delivering police services, including the Force's performance in improving user satisfaction and crime detection rates and reducing crimes of violence.

Lothian and Borders Police

The Force provides balanced performance and improvement reports to the Board. The Force performance management framework is being developed to demonstrate a clearer focus on prevention outcomes and support the creation of community wellbeing through partnership working. Currently there are gaps in the way performance is managed at Force, division and neighbourhood levels. The Force recognises the need to develop a comprehensive performance management system that better integrates service planning and delivery of their policing philosophy and intended strategic outcomes.

69. The Force performance management framework, the Performance Activity Monitoring (PAM) process, was originally designed to manage strategic and tactical performance. The Strategic PAM meetings were held every 3 or 6 months and were forward looking, with the aim of

identifying future challenges and needs for each division. The Tactical PAM dealt with individual divisional performance, how tactical plans and initiatives were progressing and how the Executive could better support the division.

70.   The PAM process was regarded by many managers as "passive", not driving local activity and containing gaps, for example the absence of effective performance metrics relating to specialist divisions.

71.   During the inspection period the PAM process was subject to an internal review by the Force. Senior managers commented that a new approach needs to reflect what the Force is seeking to deliver at neighbourhood, partnership, divisional, Force and national levels. Although responsibility for community priorities clearly sits with divisional commanders, there is room to improve the link between performance management and intelligence at all levels of the Force.

72.   There is a general desire across the Force to become more outcome focussed in any new performance management framework. The Force has developed a strong sense of outcomes and what success looks like in terms of prevention, safety, security and reassurance. It now needs to develop internal systems that better reflect, support and drive activity to deliver the strategic intent and in due course to better demonstrate improved outcomes as a direct consequence of their performance framework.

73.   In the meantime, the Force continues to provide balanced performance and improvement reports to the Board. Moreover, senior management teams engage positively with local authority partners in the performance management of SOAs at the local level.

Use of resources

Lothian and Borders Police Board

The Board has good arrangements for overseeing Force finances but scrutiny of other aspects of strategic resource management such as property assets and human resources, is under-developed.

74.   The Board's arrangements for oversight of Force financial planning are effective. It approved a three-year budget in January 2011, through a process involving council leaders, council heads of finance and Board members. Further improvement and development of the Board's role in overseeing the Force's finances will need to take account of the Force's proposals under the next phase of TTS or its successor.

75.   The Board approved the Force's corporate asset management plan in June 2010, and considered an update report in June 2011. This is an important area of activity for the Force as it considers further service improvements and savings. The Board needs to be more aware of the Force's estate strategy and provide stronger scrutiny and challenge of the potential impact on its communities and on policing services.

76.   The Board has an Appointment and Remuneration Committee which appoints and selects chief police officers and agrees levels of increments and bonuses for senior officers. However, its oversight of wider Force people management issues is limited. In June 2011, the Board

noted its interest in the Force's human resource strategy 2011-14. This sits alongside the TTS programme, but in common with other aspects of that programme, the role of the Board in shaping the strategy is unclear. In view of the impact of TTS on the shape of the workforce, and the implications of this on operations, it is important that the Board provides stronger scrutiny and challenge.

77. The Board's external auditors review the governance arrangements and main financial systems. Their overall conclusion was that the Board has adequate systems of internal control in its oversight of Force resources. The auditors state that a number of actions to improve systems are being taken forward by managers in the Force. For example, consideration is being given to providing more information to members on project phasing and potential slippage in the capital investment programme. Steps are also being taken to develop a comprehensive fixed asset register.

Lothian and Borders Police

Through TTS the Force continues to identify opportunities to reduce cost and improve effectiveness. The Force has maintained police officer numbers and reduced police staff and needs to continue to manage these competing challenges to achieve a balanced workforce and a clearer link between priorities and resources.

78. Under the Scottish Government's Efficient Government Programme, Lothian and Borders Police was required between 2008/09 and 2010/11, to achieve cash-releasing efficiency savings of 6 per cent of the 2007/08 budget. Savings were retained by the Force and reinvested. Table 1 below highlights the Force performance over the last three financial years. The target in 2010/11 was met, partly through the efficiency savings programme and latterly by the TTS programme which delivered a further £1.75m savings in the financial period.

Table 1

Lothian and Borders Efficiency savings (2008/09 - 2010/11)

Year	2008/09	2009/10	2010/11	Total
Actual	4,077,914	8,094,104	7,508,726	19,680,744
Target	3,088,000	6,176,000	9,264,000	18,528,000

Source: Lothian and Borders Police

79. The reduction in the Force budget for 2011-12 incorporated a 2.6 per cent reduction in Government Grant and a 3.1 per cent reduction in council requisitions. The overall net reduction of 2.8 per cent will be met from 107 members of staff who successfully applied for voluntary redundancy, a reduced overtime bill, reduced running costs, savings delivered in staff terms and conditions and the release of £1.8m from reserves. As the effects of the

voluntary redundancy programme take effect, together with the range of efficiencies and improvements identified, the 2011-12 financial position will need to be closely monitored to ensure delivery with a minimal impact on service.

80. TTS was set up to identify and deliver value in terms of efficiencies and effectiveness and to that extent can demonstrate some success. The introduction of the Major Incident Team is a good example of the Force planning to make significant savings and producing the potential for greater capacity and capability in the management of serious crime. The Force is planning to cope with current levels of demand with 65 fewer staff. This includes the absorption of the Serious and Organised Crime Unit (SOCU), introduced to successfully deal with serious and organised crime in Edinburgh and now centralised within the Crime Division, to deal with serious and organised crime groups in Edinburgh and across the rest of the Force. The extent to which that aspiration is achieved should be fully evaluated in due course as should the impact in terms of cost and effectiveness in coping with crime in the Edinburgh Division with fewer CID resources.

81. The TTS "Responding to Demand" stream is a good example of the Force looking for more effective ways of working. Focussing on the management of the Force Control Centre, the Force identified a number of critical areas for improvement. These include developing an appointment system to deal with the majority of non-urgent calls; a proportionate enquiry policy to reduce unnecessary work, including the removal of the need for enquiries following damage only accidents; improved use of airwave technology; and low-level crimes being recorded and finalised at the time of reporting.

82. TTS has proved to be a robust and effective change methodology, including managing the personal impact on staff and morale. People plans and a highly effective communication strategy went some way to including and preparing the workforce for some very difficult decisions around reducing posts and staff numbers. Overall, the voluntary redundancy process was managed well with union and staff association involvement at all stages of the process. As the impact of the TTS change programme takes effect in 2011-12 the Force will need to continue to manage the competing challenges of a reducing budget, reduced police staff numbers and maintaining police officer numbers, towards achieving a balanced workforce.

83. Prior to TTS, the Force conducted a programme of evaluations under a Resource Allocation and Deployment Review. During the TTS process, a more centralised Resource Oversight Group has been set up to deal with fast time management of staff reductions and redeployments. However, the link between priorities and resource allocation in the Force remains unclear. This is a complex area and there is a need to ensure a link between the TTS work and the historic basis for resource allocation in Lothian and Borders Police. The Force should seek to ensure a comprehensive oversight and collective understanding as to how resources and demand are matched across the organisation and to strategic priorities.

84. Senior managers commented that current division resource levels are based on historic convention rather than need. The inspection team noted that one of the principle priorities in the Force HR Strategy for 2011-12 is "To support the reallocation of resources across the

Force based on demand and priority, in accordance with the specific requirements in terms of achieving the Force Strategic Objectives and Priorities."

85. The Force is investing in a Quad Force Project involving Central Scotland Police, Fife Constabulary, Tayside Police and Lothian and Borders Police, who are collectively exploring ways of collaborating and sharing operational and support services. The working party is chaired by the Deputy Chief Constable of Lothian and Borders Police and the Force is taking the lead in developing cross force collaboration on firearms and roads policing. The aim is to secure efficiencies through better deployment of police and police staff across the four forces, as well as cashable savings. The Force believes this work is complementary to moving towards any new structure for policing in Scotland.

86. Lothian and Borders Police currently has the lowest ratio of Special Constables to regular Constables in Scotland. This is equivalent to 1 Special for 17 Constables (i.e.177 special constables), compared to the national average of 1 Special to 11 officers (equivalent to 272 special constables for Lothian and Borders). Within Lothian and Borders Police the generic default role of a Special Constable is to align to a response team for an area. From research it was found that other Scottish forces utilise Special Constables in a different manner utilising their local knowledge and life skills as an effective and efficient alternative deployment of their Special Constables. A working group has been set up to look at the role of Special Constables. The role profile of Special Constables has been changed and standard operating procedures introduced to improve the deployment of officers to response and community incidents. An evaluation of this is work-in-progress will be provided to the Police Board in January 2012.

87. Since 2004 the Force has had sight of five reviews and two scrutiny reports addressing consistent issues relating to its analysts. The latest report under TTS presents the Force with the opportunity to rationalise supervisory structures for analysts, benefit from interoperability and to improve further the overall intelligence effort.

Equalities

Lothian and Borders Police Board

The Board is taking action to improve its engagement in equalities issues, but has not yet done enough. The Diversity Lay Advisor scheme is effective, but its effectiveness may be at risk due to demand pressures.

88. The Board recognises that there is scope for better strategic oversight of equalities issues. The Best Value improvement plan has a limited number of high level actions in place to this end, including the requirement on the Force to report on its equality activity. The Board is also committed to producing an annual strategic report on equalities. However, the Board needs to clarify what strategic oversight means in practice.

89. Currently, both the equalities information considered by the Board and member awareness of the Board's equalities responsibilities is limited. Overall, there is scope for increased

ownership of the equalities and diversity agenda. This is an example of an area where training and development is needed.

90. The Board has a Diversity Lay Advisor scheme, which is used by both the Board and Force. Lay Advisors report annually to the Board on engagement with diverse communities, and on how the Force manages hate crime and critical incidents. In 2010, the Board agreed to increase the number of diversity advisors from 12 to 16 to meet increasing workload associated with, for example, more demanding professional standards and testing equality impact assessments.

91. The Lay Advisor scheme is a useful asset but there are risks that this resource could be overstretched and lose its effectiveness, particularly as it is seen as a resource for both the Board and the Force. Work is needed to establish a clear and shared understanding of its role, and how demand for its services will be managed and planned for the future.

Lothian and Borders Police

The Force demonstrates strong leadership and good practice in the management of equality and diversity. An outcome approach to the measurement of equality and diversity has recently been adopted, but it is early days in this regard.

92. Diversity was found to be well embedded in operational policing, with police managers citing the use of equality impact assessments and engagement with Lay Advisors as business as usual. The Lay Advisor role has been extended to include input on policy, practice, critical incidents, scrutiny of hate crime and advice on diversity issues. Lay Advisors remain independent and report to the Board. They continue to be a valued asset to the Force.

93. The Force's senior management demonstrate clear leadership of equality and diversity, gaining national recognition.

94. The Force Diversity Seminar in 2010 included a cross section of the Force, Lay Advisors and the Board in helping to shape the Force Diversity priorities. The Executive are visibly engaged with equalities with the Chief Constable personally chairing the Force Diversity and Equality Strategy Group and the Deputy Chief Constable assuming national lead for Diversity and Equality in Scotland and the Force Diversity and Equality Reference Group. Each division has a Diversity Champion at Superintendent and police staff equivalent. The Force has been recognised as the top performing public sector diversity champion in Scotland by Stonewall.

95. The Force recently recognised and publicly apologised for a series of failings during a high profile case. These included a lack of relevant training of the senior investigation team and a failure to take account of individual perceptions that the incident was racially motivated. The Force response to the issues arising from the case demonstrates the Force's willingness to challenge itself, to learn and to make improvements to the policing of diverse communities during critical incidents.

96. The Force is moving towards an outcome focussed approach to the measurement of equality and diversity together with an updated diversity and equality action plan that reflects the provisions of The Equality Act 2010. The Force is currently undertaking internal and external

consultation with a view to determining equality priorities and each division has identified diversity outcomes and measures in conjunction with local communities and partners. While it is too early to determine the success of this approach, the Force will ensure a corporate overview of equality and diversity is maintained through its strategy and reference groups.

97. Diversity training in the past has been highly regarded within the Force, but now that some officers last received their training 6 years ago, there is perhaps a need to revisit and refresh diversity training in the Force, incorporating recent changes in legislation, good practice and organisational learning. The Force has recognised the gap and the Deputy Chief Constable is leading a national project team to address the issue.

98. The Force has had limited success in recruiting officers from black and minority ethnic groups, although it has better success in recent years in increasing the proportion of female officers. The financial cut backs, voluntary redundancy programme under TTS and police officer recruitment freeze in 2010 collectively had the potential to have a disproportionate impact on female staff members, but the Force staff profile has not suffered significantly. However, police staff absence rates have increased slightly and the Force should consider closely monitoring and managing the issue as the full impact of change and reform is felt going forward.

Sustainability

Lothian and Borders Police Board

The Board does not have a systematic approach to sustainability, but it has recognised that it needs to do so.

99. The Board's consideration of sustainability has been very limited, but the Convener has recognised this by requesting information from the Force on how to establish sustainable practices across Force activities. The Chief Constable has subsequently set out how the Force would develop a more strategic approach to sustainability. This is largely based on environmental sustainability rather than a wider definition encompassing, for example, financial or social sustainability. Nevertheless, increased Board involvement in sustainability issues is evident from it considering reports on carbon management and sustainable procurement.

100. There is scope for the Board and Force working together to think about longer-term aspects of policing in Lothian and Borders. This can be taken forward as the Board and Force develop a more collaborative approach to strategic planning and priority-setting.

Lothian and Borders Police

There has been good recent progress made in the Force developing its approach to sustainability, particularly in relation to carbon management and sustainable procurement.

101. The Force has taken steps to promote sustainability policies and practices that demonstrate some evidence of good practice. The Force is committed to the UK Climate Change

Programme by acting to reduce the emission of greenhouse gases as evidenced by the introduction of energy efficient boilers across the Force; the setting up of a contract to purchase renewable energy through the Scottish Government; and the introduction of bio-diesel fuel cars to replace petrol-driven vehicles.

102. A sustainable travel policy is also in place to reduce unnecessary travel, including the introduction of and use of video-conferencing facilities available at Force Headquarters.

103. The Force is attempting to rationalise the management of waste by reducing the amount disposed of and where possible, recycling. This includes a waste segregation scheme introduced at Force Headquarters and where non-food waste across the Force is sent for recycling and food waste is sent for recycling as compost.

Part 3. Lothian & Borders Police performance assessment

Performance outcomes

The Force continues to demonstrate improved outcomes for its communities with year on year reductions in crime and disorder. The Force delivered a 7.2 per cent reduction in overall crime in 2010-11. There are some areas for improvement, including an increase in serious crimes of violence and crime detection and service user satisfaction rates which have remained static in Lothian and Borders.

Recorded and detected crime

104. The Force performed well against Force and national priorities for 2010/11 including Drug and Alcohol Misuse, Terrorism, Anti-social Behaviour, Serious Organised Crime, Public Protection, Citizen Focus and Reassurance.

105. Specifically, the Force achieved an 8 per cent reduction in Groups 1 to 4 crime, which is 4,572 fewer crimes. The previous four years has seen the ratio of crimes per 10,000 population reduce from 644 in 2007/08 to 531 in 2010/11 (Exhibit 7).

Exhibit 7
Recorded crimes per 10,000 population 2007/08 - 2010/11
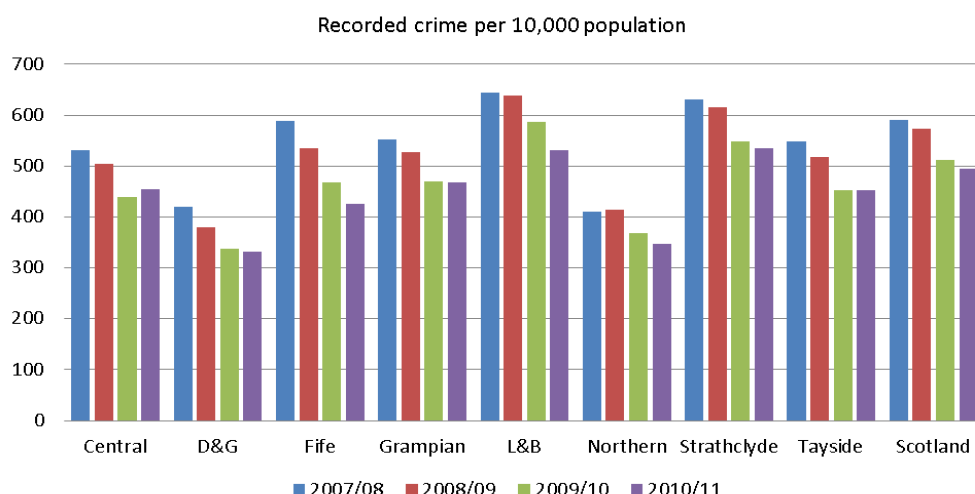
Source: Lothian and Borders Police/HMICS

106. In 2010/11 the Force detected 33 per cent of all crimes recorded in the Groups 1 to 4 crime categories which was no change from the previous year. Force performance in detection of

crimes has been generally consistent over recent years. When compared to other Scottish forces, the Force has the second lowest detection rate of the eight Scottish forces. In general, forces like Lothian and Borders that include larger city areas face greater challenges in detecting crime. Overall, an 8 per cent reduction in Group 1-4 crime whilst maintaining the detection rate is good performance. However, there is still room to improve detections to effect a positive direction of travel within Force performance.

Exhibit 8

Detection rates 2007/08 - 2010/11

Detection rates for Crime Groups 1-4
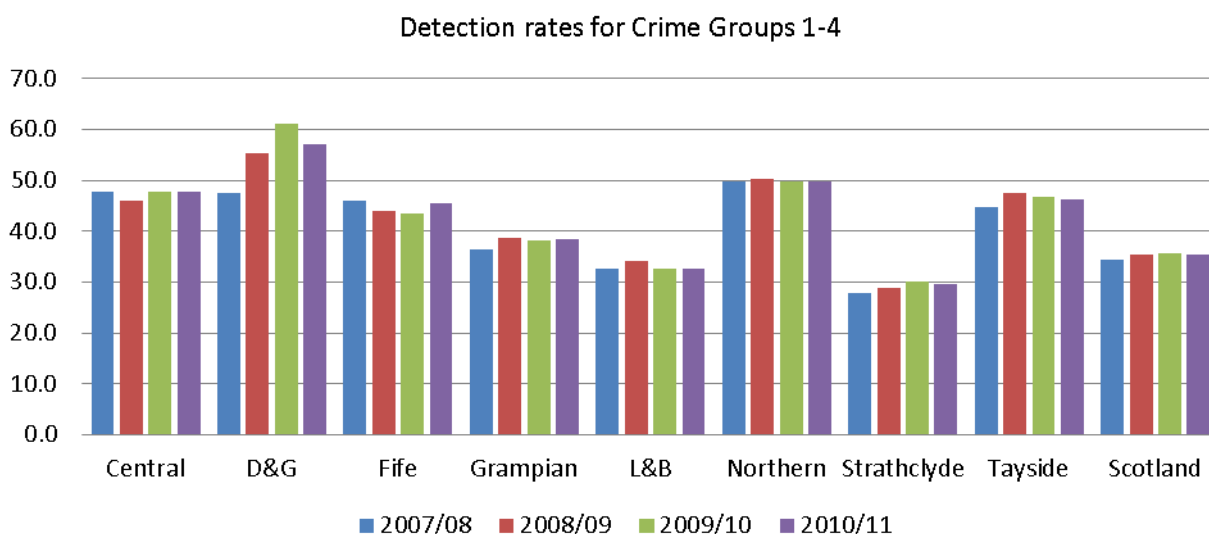
Source: Lothian and Borders Police/HMICS

107. Crimes of violence (Group 1) in 2010/2011 increased by 267 crimes from the previous year. This represents a 7 per cent increase on the average of the previous three years. As a consequence, the Force's level of violent crime per 10,000 population was the second highest in Scotland, at 21.6 per 10,000 population. The increase in violent crime is not dissimilar to the trend exhibited by most other Scottish forces. However, within Group 1 and Group 2 crimes there is a concern about the increase in the most serious crimes of violence including a doubling in the number of murders recorded, increases in serious assaults and robberies of 15 per cent and 5 per cent respectively and an increase in the number of rapes by 32 from the previous year.

108. The detection rate for crimes of violence went up during 2010/11, from 62 per cent to 67 per cent. While this represents an 8 percentage point rise on the previous three year average recorded by the Force, it remains below the Scotland wide detection rate of 72 per cent. The Force's detection rate for murder alone was 95 per cent.

109. For crimes of indecency (Group 2) the Force recorded a reduction of 157 crimes on the previous year and a 6 per cent reduction when compared with the previous three year

average. Its rate of crime per 10,000 population for this category is lower that that for Scotland as a whole, at 11.1 and 12.6 respectively.

110. The detection rate for crimes of indecency was slightly down on the previous year, from 68 per cent to 66 per cent. This is virtually identical to the Scotland wide detection rate of just under 66 per cent. The 2010-11 detection rate for rape was below that achieved in the previous year, down from 61 per cent to 55 per cent.

111. There were 1,283 fewer crimes of dishonesty (Group 3) in 2010/11 than in the previous year. This 3 per cent year-on-year reduction is matched by a 7 per cent fall on the previous three year average. The main drivers behind the fall was a drop in thefts by housebreaking (dwelling), which saw 101 fewer crimes recorded in 2010-11, and in thefts and attempted thefts by opening lock-fast place with intent which was down by 15 per cent over the same period. Fraud, in contrast, rose by 11 per cent, but a change in the national counting rules for fraud may well have had an impact in the number of crimes recorded.

112. The Force has been successful in reducing levels of vandalism, malicious and reckless conduct and fire-raising, with numbers in Group 4 down by 3,398 crimes. This is a reduction of 26 per cent on the three year average and brings its rate per population down to 153 per 10,000 population, lower than the 158.7 for Scotland as a whole. Contributing to this overall reduction is a 19 per cent year-on-year fall in vandalism, which is equivalent to 3,066 fewer vandalisms.

113. The overall detection rate for Group 4 crimes fell in 2010/11 by 2.6 percentage points, from 25 per cent in 2009/10 to 22 per cent. This is lower than both the Force's previous three year average detection rate of 25 per cent and the Scotland wide detection rate of 25 per cent. The Force's detection rate for vandalism alone fell from 24 per cent in 2009/10 to 21 per cent in 2010/11.

114. Group 5 crimes include drugs and other crimes, a large proportion of which come to the attention of forces through proactive policing methods. This year the Force saw a reduction in these crimes, from 10,422 in 2009/10 to 10,298. However, the method for recording these crimes was changed nationally in September 2010 and this may provide some explanation for the decrease in the number of crimes recorded. At 109.7 crimes the Force's rate per 10,000 population is lower than the 130.1 for Scotland as a whole.

115. The Force experienced a fairly sizeable reduction in miscellaneous offences (Group 6), with numbers in 2010/11 down 15.2 per cent on the Force's previous three year average and equivalent to 2,489 fewer offences.

116. This year also saw a reduction in Group 7 road traffic offences of almost 10,000, from 62,350 in 2009/10 to 52,083.

Violence

117. The Force saw violent crime rise by 15 per cent between 2009-10 and 2010-11. The rise was driven by increases in murder, attempted murder, serious assault, robbery and threats and

extortion. Whilst we acknowledge a corresponding improvement in the detection rate - from 62 per cent to 67 per cent - such an increase in violent crime nevertheless poses a challenge to the Force and is in contrast to the reductions or minor increases exhibited by the other forces in Scotland. The aggregate figure for Scotland as a whole shows an increase of 217 violent crimes, whereas Lothian and Borders Police alone shows an increase of 267 crimes.

118. A closer examination of the statistics revealed that this increase was found in almost all of the Force's divisions, each of which was taking action to tackle the problem through divisional tactical tasking and co-ordinating meetings. We also found some good examples of partnership initiatives, such as the Edinburgh Violence Reduction Project, although we were concerned that the recent loss of an analyst post for this project may have a negative impact on its ability in the long term to identify trends and solutions. Whilst there is a violence reduction strategy in place and evidence of action by divisions to address the increase in violent crime, there is some concern around the absence of a coordinated, Force-wide approach to tackling violent crime. For example, the Force might benefit from corporate level management of violent offenders.

Antisocial behaviour

119. The Force identified anti-social behaviour as one of its priorities in 2010/11, supported by its overarching strategic commitment of "Creating Community Wellbeing". In 2010/11 it recorded 9,237 anti-social behaviour community crimes and offences, which represented a reduction of 24 per cent on the previous year compared to a Scotland wide decrease of 19 per cent over the same time period. The Force attained a detection rate for this category of 91 per cent, which was slightly down on the previous year but remained slightly higher than the Scotland-wide detection rate of 89.9 per cent.

120. The Force recorded 58 fewer racist incidents and 41 fewer racially motivated crimes and offences in 2010/11. This was a greater reduction than found across Scotland. The Force detected 62.3 per cent of racist crimes which was down from 68 per cent in the previous year. This was lower than the Scotland wide detection rate of 66 per cent.

Service User Satisfaction

121. The Force has placed community wellbeing at the heart of its policing philosophy and has promoted a commitment to working with local communities and delivering a citizen-focused policing service. The satisfaction with this is found in public satisfaction surveys carried out by all forces and reported via the Scottish Policing Performance Framework. Due to differences in survey methodology, comparisons between forces have to be treated with caution. However, whilst differing survey standards preclude the opportunity for any valid comparison, the Force should continue to make efforts to continuously improve in this important area of performance.

122. Exhibit 9 shows the levels of user satisfaction with the overall way Lothian and Borders Police dealt with matters between 2007-08 and 2010-11. The figures indicate that the Force's

performance has declined or remained static over this time. The 2010/11 overall satisfaction figure for Lothian and Borders Police is 75.0 per cent.

Exhibit 9

User Satisfaction 2007/08 - 2010/11


'Satisfied' or 'fairly satisfied' about how dealt with
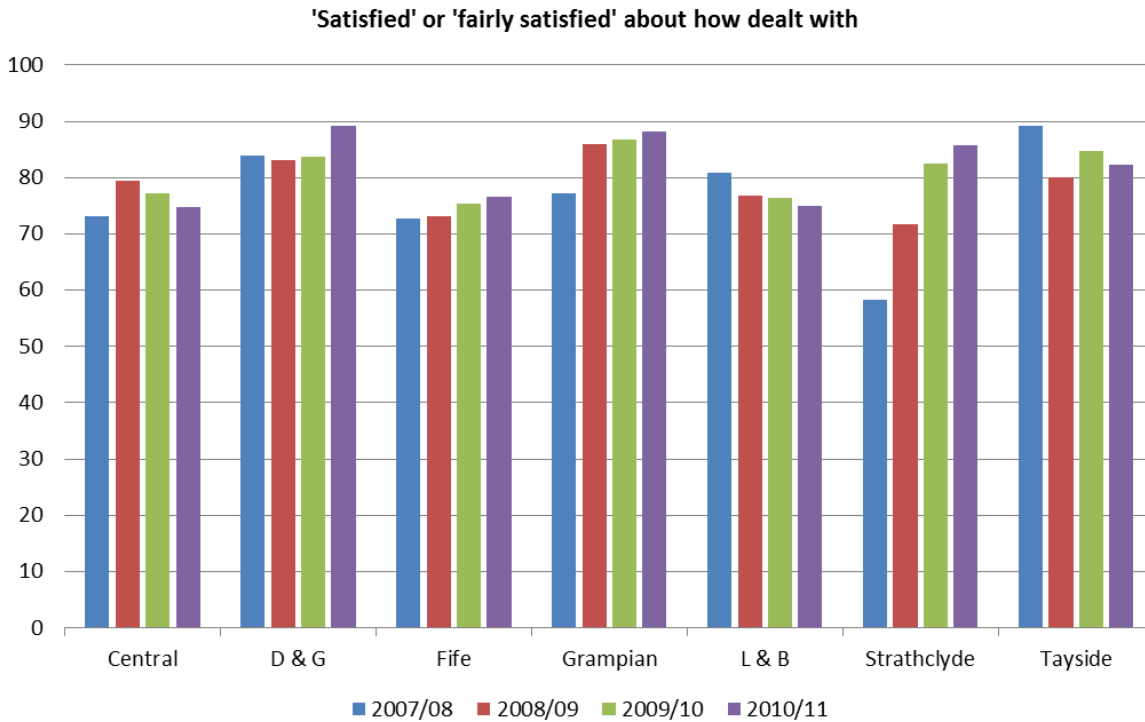
Source: Lothian and Borders Police/HMICS

Call Handling

123. Performance on call handling has been consistently high for the Force when compared to other forces in Scotland. The Force Contact Centre near Edinburgh has robust processes that have ensured calls from members of the public are answered promptly and dealt with to a high standard. It has in place a detailed performance culture that ensure performance is monitored and measured for the Centre as a whole as well as examining the performance of individual members of staff.

124. During 2010/11 the Force received 656,731 non-emergency calls and 115,602 999 emergency calls. The Force ratio of 999 calls per 10,000 population was 1,231, higher than the Scotland wide figure of 1,185 per 10,000 population and the second highest of the eight Scottish police forces.

125. The proportion of 999 calls answered within 10 seconds was 96.1 per cent in 2010/11 which was higher than the Scotland wide statistic of 94.7 per cent (Exhibit 10). Similarly the percentage of calls responded within the Force target time was 95.6 per cent which was the highest performance of those forces who provided returns.

Exhibit 10

Call handling

Percentage of 999 calls answered within 10 seconds
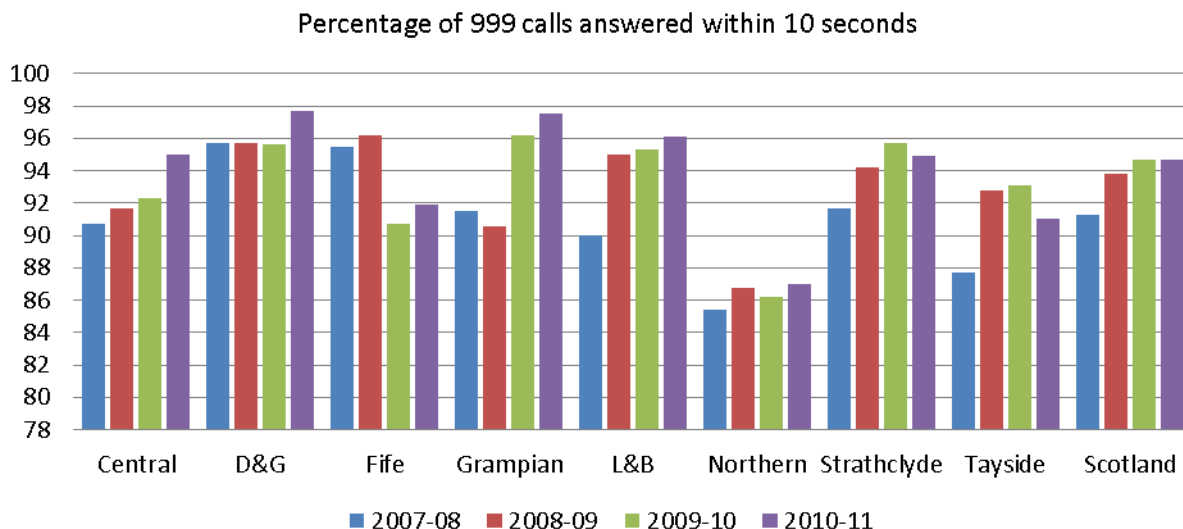
Source: Lothian and Borders Police/HMICS

126. In relation to non-emergency calls, the proportion of these calls answered within 40 seconds was 98 per cent which was significantly higher than the Scotland wide performance of 90.2 per cent. Again, the Force was, by some distance, the highest performing Force in Scotland in this category.

127. Whilst the Force performed well in relation to call handling, Force performance in actually attending the most urgent category of calls was 87 per cent, falling short of the national target of 90 per cent of calls attended with 10 minutes in urban areas and 20 minutes for rural areas.

Complaints about the police

128. In 2010/11 the Force recorded 9.0 complaints per 10,000 population which is slightly higher than the Scotland wide figure of 8.2 per 10,000 population. The actual number of complaints received during 2010/11 was down 6.2 per cent compared to the previous year.

129. The number of quality of service complaints recorded by the Force decreased by 32.4 per cent during this year which was 46 fewer complaints than the previous year. This reduction was in line with performance in other forces in Scotland and with the Scotland wide performance which was 11.9 per cent down on the previous year.

Conclusion

130. Overall the Force is delivering a good level of service to the communities within Lothian and Borders, most notably in a year by year reduction in crime and call handling. However there are areas where performance improvement has not been achieved in recent years, particularly when compared to other Scottish forces where there is evidence of consistent improvement. These include the detection of crime and user satisfaction levels.

Part 4. Improvement recommendations

131. Continuous improvement in public services and local governance are central to the Best Value and Community Planning policy framework. In striving to achieve the highest possible standards of service, members of the Board must focus on key policy objectives and the needs of service users and communities. This requires a culture where areas in need of improvement are identified and openly discussed and in which service performance is constructively challenged.

132. Lothian and Borders Police Board and Force are aware of the key areas where improvements are needed and are addressing them. The Board and Force should work together and take shared responsibility in order to deliver Best Value to their local communities. The paragraphs below set out the key areas where the Board and the Force need to improve.

133. In common with other police authorities and forces, Lothian and Borders Police Board and Force will need to review the recent announcements about planned changes in policing in Scotland and develop plans to ensure a smooth transition to the new arrangements while maintaining service quality and delivering service improvements.

Joint Improvements

1. In view of the long-term objective of community well-being through crime prevention and protection, the Board and the Force should work together to develop clear measures against which progress can be assessed and assurance provided to the public and other stakeholders that the strategy is working.

2. The Force and Board need to review the scope and their use of the Diversity Lay Advisor Scheme to establish a clear and shared understanding of its role.

Lothian and Borders Police Board

1. The Board should review its approach to scrutiny and, in particular, should:

- Develop a more consistent approach to scrutiny of the Force's management of resources.

- Provide stronger challenge in relation to the Force's performance and explore how fuller information of performance might better support performance scrutiny.

- Provide stronger challenge in relation to the Force's improvement programme.

- Improve scrutiny of the Force's progress against its longer-term objective of community wellbeing.

2. The Board should strengthen its arrangements for member training and development. This should focus on building a clearer and consistent understanding across all members of their roles and responsibilities generally, and with the specific aim of improving member confidence in contributing to the development of policing priorities and scrutiny of Force performance.

Recent improvements to induction arrangements should be tested prior to the local government elections in May 2012

3. The Board should review its approach to equalities and sustainability to ensure further progress in meeting its Best Value responsibilities.

4. The Board should consider and agree how it will maintain focus and direction in its Best Value improvement agenda, in the context of likely changes in policing structures in Scotland. This should include identifying the scope for sharing the learning from existing good practice across the Board area.

5. The Board should review the level of support it receives from the City of Edinburgh Council and satisfy itself that it is of the right type, amount and quality in the context of the Board's requirements and at a time of reducing budgets.

Lothian and Borders Police

1. The Force should continue to develop clarity and understanding of the vision, strategy and priorities at all levels of the organisation.

2. The Force should develop performance systems that better reflect the delivery of intended strategic outcomes and clearly demonstrate the link between priorities and resources.

3. The Force should build on existing excellence in partnership working, by collaborating further on the sharing of information and the evaluation and dissemination of best practice across the partnerships.

4. The Force should continue to improve its approach to managing equalities and diversity, in particular, to evaluate recent improvements made to the management of critical incidents and diversity training.

5. The Force should take further steps to reduce the occurrence of serious crimes of violence and improve crime detection and service user satisfaction.

Appendix 1

Expectations of police authorities

The Scottish government has issued two main sources of guidance on the role of elected members and police authorities:

- Circular 11/2003, Implementing Best Value in the Scottish Police Service, issued in December 2003.

- Guidance to Members, issued in June 2007.

Taken together, these two documents set out six main areas of activity for police authorities and their members:

- Police authorities need to pursue best value in tandem with chief constables who are responsible for police operations in their force. Members of the police authorities should take joint responsibility for the overarching plan to achieve best value and other duties in the force, and work with the chief constable to ensure that it is carried out effectively.

- Best value requires elected members and senior managers to develop a vision of how best value will contribute to the corporate goals of the authorities, inform the direction of services and be communicated to staff.

- Police authorities are expected to demonstrate responsiveness to the needs of the public and other stakeholders. Plans, priorities and actions should be informed by an understanding of those needs. Police authorities may make clear publicly how they engage and work with chief constables, delivering and reporting on, best value. They have a particular role to play in ensuring effective public consultation on aspects of policing.

- It is a matter for each authority to determine how it fulfils these roles. However, one option might be for the police authorities to contribute to and endorse the chief constable's annual plan.

- Members of the police authorities should be able to demonstrate that they are making the best use of public resources and demonstrate an approach to review that is rigorous, robust and covers all aspects of their work.

- Police authorities need to make sure that the force collects and reports good quality performance data to them. Police authorities should analyse the data and any accompanying commentary. They may then want to investigate further by asking questions of the chief constable as part of a continuous discussion and review of force performance.

ACCOUNTS COMMISSION

MEETING 10 NOVEMBER 2011

COVER NOTE BY SECRETARY & BUSINESS MANAGER

BEST VALUE AUDIT REPORT - COMHAIRLE NAN EILEAN SIAR

Purpose

1.   The purpose of this report is to introduce the Best Value audit report on Comhairle nan Eilean Siar. The Commission is invited to consider the report and decide how it wishes to proceed.

The report

2.   The report to the Commission is made by the Controller of Audit under section 102(1) of the Local Government (Scotland) Act 1973 (as amended by subsequent legislation including the Local Government in Scotland Act 2003).

3.   A copy of the report is being sent to the Council, which is obliged to supply a copy to each elected member of the Council and to make additional copies available for public inspection. Once the Controller of Audit's report is sent to the Council it is effectively in the public domain.

4.   After the Commission has considered and agreed its action on the report, a summary report will be prepared for publication alongside the report. This will be prepared in the style preferred by the Commission when it reviewed options as part of the evaluation of the Best Value 2 pathfinder audits. The summary report will be circulated to Commission members prior to publication.

Procedure

5.   The legislation provides that, on receipt of a Controller of Audit report, the Commission may do, in any order, all or any of the following, or none of them –

   (a)   Direct the Controller of Audit to carry out further investigations;

   (b)   Hold a hearing;

   (c)   State its findings.

6.   Members of the audit team will be present at the Commission's meeting and will be available to answer questions.

Conclusion

7.   The Commission is invited to –

   • consider the Best Value audit report by the Controller of Audit on Comhairle nan Eilean Siar; and

   • decide how it wishes to proceed.

Paul Reilly
Secretary and Business Manager
27 October 2011

Comhairle nan Eilean Siar

The Audit of Best Value and Community Planning

AUDIT SCOTLAND

Contents

Commission findings

Part 1. The Audit of Best value

Best Value

1. The statutory duty of Best Value in local government was introduced in the Local Government in Scotland Act 2003. In response, the Accounts Commission consulted on, and implemented, the audit of Best Value and Community Planning. Best Value audit reports have been published on all 32 councils in Scotland.

2. The next phase of Best Value (BV) audit is carried out and reported under the same legislative framework, but the approach has moved on significantly from the 32 baseline audits. In particular these audits are:

    *   more proportionate and risk-based, reflecting more closely the particular issues faced by individual councils and their partners

    *   founded on a shared risk assessment (SRA) process, conducted with colleagues from other local government inspectorates particularly Her Majesty's Inspectorate of Education (HMIE) (now Education Scotland), Social Care and Social Work Improvement Scotland (SCSWIS) and the Scottish Housing Regulator (SHR)

    *   more focussed on impact and outcomes, and the difference the council and its partners are making for local communities

    *   designed to provide a more rounded view of partnership working in a local area, and the difference it is making.

3. The Scottish Government's Best Value guidance provides detail of the characteristics that councils are expected to demonstrate in fulfilling their statutory Best Value duties. The characteristics apply to elected members and officers reflecting the joint responsibility for Best Value.

Comhairle nan Eilean Siar audit scope

4. Best Value is an important part of the wider scrutiny arrangements in councils in Scotland. Audit Scotland works closely with other local government inspectorates, undertaking an SRA process for all 32 local authorities, to support the delivery of well-targeted, risk-based scrutiny. This process results in each council receiving an Assurance and Improvement Plan (AIP) each year which sets out the scrutiny activity that the council can expect to take place over a rolling three-year period. AIP's covering the period from April 2011 to March 2014 were published in July 2011.

5. The 2011 AIP for Comhairle nan Eilean Siar (the comhairle) identifies a BV audit as part of the required response to local scrutiny risks. This was primarily due to the uncertainty of the comhairle's progress against outcomes and strategic objectives due to the limitations of the

performance management system and development of self-evaluation and concerns around the pace of delivery of some corporate assessment areas. A specific piece of Best Value work undertaken in 2010 focussing on the comhairle's leadership and culture and capacity for change was a precursor to this BV audit. The intention was that by undertaking a BV audit in 2011 would help support the comhairle in taking forward its improvement agenda.

6. We have drawn on the SRA and a range of available information from the comhairle and other scrutiny bodies to enable us to target our BV audit activity on those areas which reflect the current risks affecting the comhairle and where it would have greatest impact.

7. In particular, we have focussed on testing and assessing:

- how well the comhairle, with its community planning partners, has responded to the challenges in delivering the economic, natural and cultural and educational outcomes for the local community. These themes were identified for scrutiny because there was insufficient information available to assess their progress and impact, and where information was available this shows that the comhairle and its partners had some way to go to achieving the targets in these outcome areas

- how well services are performing and the extent to which they are able to demonstrate value for money

- the impact of partnership working on building capacity and effectiveness in delivering more coordinated services

- the effectiveness and impact of the new electronic performance management system and adoption of a performance management culture across the comhairle

- how effectively the comhairle manages its resources including financial planning, asset management, procurement, risk management, workforce planning and the monitoring of costs and value for money

- how well the comhairle measures and demonstrates sustainability and diversity and equality.

8. The SRA gave sufficient assurance in a number of areas where we did not have to conduct detailed BV audit work. These include:

- progress in delivering outcomes for communities relating to 'strong communities, strong roots, strong culture' and 'strengthening connections, strengthening communities'

- progress in delivering services subject to inspection by Education Scotland (formerly Her Majesty's Inspectorate of Education (HMIE)) , Social Care and Social Work Improvement Scotland (SCSWIS) (formerly the Social Work Inspection Agency (SWIA and the Care Commission) and the Scottish Housing Regulator (SHR)

- progress in delivering roads and transport and marine services

- governance and accountability arrangements.

9. While we did not undertake any detailed work in these areas we have reported the current position in some areas including the comhairle's governance arrangements.

About this audit report

10. The first Best Value report on Comhairle nan Eilean Siar was published in 2006. The Accounts Commission findings expressed concern that the comhairle was unable to demonstrate a commitment to continuous improvement due to, among other things, the absence of robust performance management arrangements and a lack of corporate management and coordination. The Commission recognised a number of advantages and strengths including strong foundations in engagement with local communities, a good level of self awareness and active and committed elected members.

11. We carried out this BV audit between April and June 2011. The scoping phase took place in April with the detailed audit work taking place in late May/early June.

12. We gratefully acknowledge the co-operation and assistance provided to the audit team by chief executive, Malcolm Burr; the leader of the council, Councillor Angus Campbell; head of executive office, Lesley McDonald; and all other elected members and staff involved. We are grateful to the representatives of community planning partners for their participation.

Part 2. Overall conclusions

Summary conclusions

13. Since 2006 the comhairle has been progressing a number of the key issues raised in the first Best Value report. While there has been an increase in the pace of change over the past 18 months, overall progress has been slow particularly on performance management, asset management, risk management and procurement.

14. The comhairle and its partners understand the context in which they operate and share a clear vision for the Western Isles. There is clear recognition of the expertise that all partners bring resulting in good examples of joint working between partners at an operational level. Partnership arrangements are still developing and the limitations of the partnerships performance management arrangements mean that the partnership is unable to demonstrate its impact. The partnership's executive group needs to provide more direction for the outcome groups to enable them to focus effectively on the partnership priorities.

15. Elected members demonstrate good community leadership and the comhairle has a clear focus on sustaining communities and works well with its partners on issues affecting the Western Isles. There is an opportunity for elected members to have greater involvement within the Community Planning Partnership's outcome groups.

16. The Corporate Management Team (CMT) needs to demonstrate more visible leadership and direction in maintaining the recently established momentum of change and actively driving forward improvement. The comhairle does not have a corporate self-assessment process to support its improvement plan and elected members should be more involved in driving and scrutinising continuous improvement activity.

17. The comhairle has made good progress with its financial management, particularly in relation to its budget setting processes. It would benefit further from developing a clear strategic financial plan to support the difficult decisions it may have to make over the coming years. Workforce planning is improving through the development of an HR strategy and workforce planning policy. Progress in relation to procurement and risk management has been slow.

18. The comhairle has introduced an electronic performance management system but has been slow to embed a performance management framework. Elected members and senior officers need to develop their respective roles in instilling a culture of performance management across the organisation.

19. The comhairle has made significant progress on managing its school estate. However progress on a corporate asset management approach has been slow to develop.

20. Most services are performing well including education, social care and community learning. Further improvement is required to address issues in fostering and adoption, waste management and building services. User satisfaction information is not up to date and while services gather information for their own needs, this is not shared corporately. The comhairle

is unable to demonstrate that it is delivering value for money services due to the limited cost and quality of service information available.

21. The governance and scrutiny arrangements are effective and serve the comhairle well. Elected members have the opportunity to contribute to all committee discussions and this facilitates a consensual approach to decision-making. The comhairle has taken some difficult decisions recently including the plan to close a number of rural schools.

Performance assessment

22. The BV audit provides two judgements on council performance. One assesses how well the comhairle is performing and the other covers the comhairle's prospects for improvement. Descriptions of each category can be found at Appendix 1.

23. The comhairle's overall performance is satisfactory:

- Partnership arrangements overall are still developing and the partnership is unable to effectively demonstrate progress on partnership outcomes. Our own analysis highlights mixed progress on the economy and natural and cultural outcomes. At an operational level, there are some good examples of joint working.

- Most of the comhairle's services are performing well. The comhairle is aware it needs to improve services in waste management and fostering and adoption and is making progress in its building maintenance commercial operation. However, there is limited evidence to enable the comhairle to demonstrate value for money of its services or customer satisfaction.

- The comhairle has introduced an electronic performance management system but has made slow progress in embedding a performance management framework. It needs to do more to develop the performance culture and demonstrate impact.

24. The comhairle has fair prospects for future improvement:

- The comhairle's governance and scrutiny arrangements work well and there is strong political and community leadership. The chief executive and his management team need to demonstrate stronger leadership in taking forward performance management and continuous improvement.

- The comhairle and its partners share a clear vision for the Western Isles, there is a simple partnership structure and the expertise that all partners bring is recognised through their prominent roles within the partnership.

- The comhairle does not have a systematic approach to continuous improvement activity, although it has an established programme of best value service reviews.

- The comhairle manages its finances prudently but it needs a longer term financial strategy which takes into account the impact of demographic changes on future service provision.

- The comhairle has made steady progress in workforce planning and management and in promoting equalities and sustainability. Progress has been slower on asset management, risk management and procurement.

Areas for improvement

25. The main areas for improvement for the comhairle identified through this audit are:

- The comhairle needs to embed performance management arrangements with particular improvement needed around developing a performance management culture and demonstrating the impact of its work on outcomes through the performance management system.

- The comhairle and its partners should continue to develop partnership arrangements focusing on measuring and demonstrating progress towards outcomes. Elected members should be more actively involved.

- The comhairle needs to develop and coordinate its approach to continuous improvement, using elected members to direct and challenge activity.

- The recent increase in the pace of change needs to be sustained and further progress needs to be made in performance management, asset management, risk management and procurement.

- The comhairle needs to measure customer satisfaction and use this information to develop its approach to assessing and demonstrating value for money of services.

26. The comhairle has recently improved the pace of change and focusing on the above areas, particularly around embedding its performance management framework and implementing a systematic approach to continuous improvement, will support further progress in delivering Best Value for its communities.

Part 3. Local context

The Western Isles

27. The Western Isles (or Outer Hebrides) is a chain of islands to the north west of mainland Scotland (Exhibit 1). It is made up of 11 inhabited islands and approximately 119 named islands in total. The islands cover an area of 3,071 square km, running 209 km from north to south. The main populated islands in the chain are Lewis, Harris, Benbecula, North Uist, South Uist and Barra. Approximately 30 per cent of the population live in the main town, Stornoway, on the Isle of Lewis.

Exhibit 1

The Western Isles

Source: Comhairle nan Eilean Siar

28. The geography of the islands presents many challenges for the comhairle and its communities particularly around their sustainability and the impact on service delivery. The most significant challenge is the continuing population decline. The islands' population is around 26,220 and, while it has stabilised over the last few years, is projected to fall by a further 4.1 per cent by 2033 compared to a 7.3 per cent increase nationally.

29. The number of children is projected to fall by around 17.4 per cent. This will have a significant affect on the school rolls. Educational attainment in the island's schools is strong and the

comhairle has the second highest rate in Scotland for school leavers going onto positive destinations. Providing sustained employment opportunities for these skilled young people remains a challenge.

30. The number of people of working age is projected to fall by around 11.7 per cent. Unemployment rates in the Western Isles are slightly below national levels, with more people employed on a part time basis. However average earnings are lower.

31. The number of older people living on the islands is projected to increase by 23.6 per cent. As with many other areas across Scotland, the changing age profile of the islands' communities presents challenges for service provision, particularly in relation to social care and health services. The challenges are made more complex by the rural nature of the islands' communities, particularly in relation to the accessibility of services.

32. While health and social care indicators present a fairly positive picture for the Western Isles there are some specific challenges. The rate of older people staying in hospital as a result of a fall at home is the second highest across Scotland. Hospital stays that are alcohol related are also significantly higher than the Scottish average. The Western Isles has the highest estimated percentage of households in extreme fuel poverty. Fuel poverty has significant health and wellbeing implications, particularly for older people, including increased risks of respiratory and cardiovascular health conditions.

33. The islands geography, through their significant natural resources and strong cultural heritage, presents many opportunities for the comhairle and its partners. The island of St Kilda, to the northwest of North Uist, for which the comhairle is a partner organisation responsible for its management, is Scotland's only dual status world heritage site and one of only 24 sites worldwide to be given this status for both its natural and cultural significance. Many areas across the islands are known for their natural beauty and significance in terms of wildlife and plant life. The cultural heritage of the islands is strongly promoted by communities and the comhairle. More than 60 per cent of the Western Isles population are Gaelic speakers, compared to just over one per cent nationally. In 2009 visitor expenditure in the western Isles was an estimated £50 million, with an estimated £30 million of that coming from international visitors. The top tourist attraction, An Lanntair arts centre in Stornoway, attracted more than 200,000 visitors in 2009. A number of local products are also marketed internationally, such as Harris Tweed and Stornoway Black Pudding, helping to support local enterprise and promote the islands' heritage.

The comhairle

34. Comhairle nan Eilean Siar is an independent council, with 25 independent elected members, four SNP and two labour members. The comhairle has no administration group, instead adopting an issue by issue consensus based approach to decision-making. The comhairle's governance arrangements support this approach. These are discussed in more detail in Part 7.

35. The committee structure includes six strategic committees in addition to the comhairle; Audit and Scrutiny, Policy and Resources, Education and Children's Services, Environment and Protective Services, Sustainable Development, and Transportation.

36. The comhairle is led managerially by a chief executive supported by five directors, covering education and children's services, finance and corporate resources, development, social and community services and technical services. The chief executive has been in post since 2005. The current CMT has been in place since April 2010.

37. In 2010/11 the comhairle spent approximately £118 million on providing services to its communities. This equates to £4,507 per head of population. The comhairle employed 1,906 full time equivalent members of staff in 2010 to deliver services.

Part 4. Is the comhairle working effectively with its partners to improve the Outer Hebrides?

The comhairle and its partners share a clear vision for the Outer Hebrides focusing on the key contextual challenges facing the islands. The partnership structure recognises the expertise that partners bring. At an operational level there are good examples of joint working between partners. Partnership arrangements are benefiting from better co-ordination however further improvements could be made with stronger leadership from the comhairle. Elected members should be more actively involved in the partnership outcome groups. The comhairle should continue to support and develop the Outer Hebrides Community Planning Partnership (OHCPP)

Are they focussed on the challenges for the Outer Hebrides?

38. The comhairle and its partners are acutely aware of the context within which they operate, the communities they serve and the challenges that face them. The partnership's vision for the Outer Hebrides is '…a prosperous, well-educated and healthy community enjoying a good quality of life and fully realising the benefits of our natural environment and cultural traditions'. This is reflected in the Single Outcome Agreement (SOA).

39. The SOA (2011-2014) details seven local outcomes and includes seven priorities to focus activity on achieving the outcomes. These priorities were identified following community engagement events in 2010 and wide consultation with partners. The SOA clearly links the priorities to the local outcomes through short, medium and long-term actions. The comhairle has a key role in taking forward partnership outcomes and it aligns its strategic objectives with the partnership local outcomes (Exhibit 2). It will be refreshing its corporate strategy within the next twelve months and this will provide an opportunity to further reinforce the linkages between its objectives and the local outcomes.

Exhibit 2

Link between comhairle strategic objectives and partnership outcomes
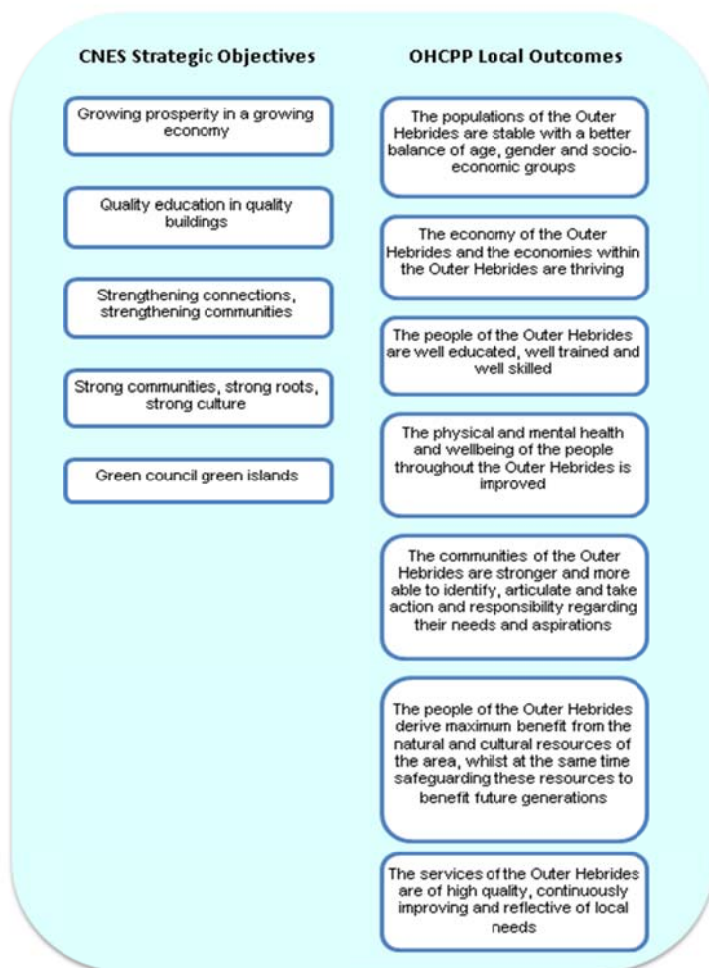
Source: Audit Scotland

40. The OHCPP has a clear structure which includes representatives from 13 agencies (Exhibit 3). The partnership is supported by an executive group and five thematic outcome groups (Economy, Well Educated, Well trained and Well skilled, Health and Wellbeing, Communities and Natural and Cultural Resources). The executive group is made up of the chairs of each of the outcome groups as well as the chair of the OHCPP. It meets on a monthly basis to exchange information and to take forward strategic issues which it is tasked by the partnership. A Community Planning Information Group (CPIG) and Diversity and Equality Steering Group (DESG) provide support to all outcome groups (Exhibit 4). Partnership groups support the outcome groups by focusing on specific priorities. Some partnership groups work specifically to take forward the work of the OHCPP eg employability partnership, others have been set up by the comhairle to take forward its own strategic objectives but link directly to the work of the outcome groups eg older people's partnership. These groups comprise officers from across all relevant partner agencies.

41. The comhairle has overall responsibility for initiating, maintaining and facilitating community planning with statutory partners having a responsibility for participating and engaging in the process.. The OHCPP demonstrates a clear understanding of these responsibilities and recognises the expertise individual partners can bring by appointing outcome group chairs from the most appropriate partner body. The majority of the outcome groups are chaired by senior representatives from outwith the comhairle. Relationships within the partnership and outcome groups Have improved since the first audit report on best value and community planning published in 2006.

Exhibit 3

Community planning partnership agencies

- Co-cheangal Innse gall (third sector representatives)
- Comhairle nan Eilean Siar
- Community council representatives
- Community landowners representatives
- Hebridean housing partnership
- Highland & Islands enterprise
- Lews Castle College
- NHS Western Isles
- Northern Constabulary
- Scottish Natural Heritage
- Skills Development Scotland
- Youth representative
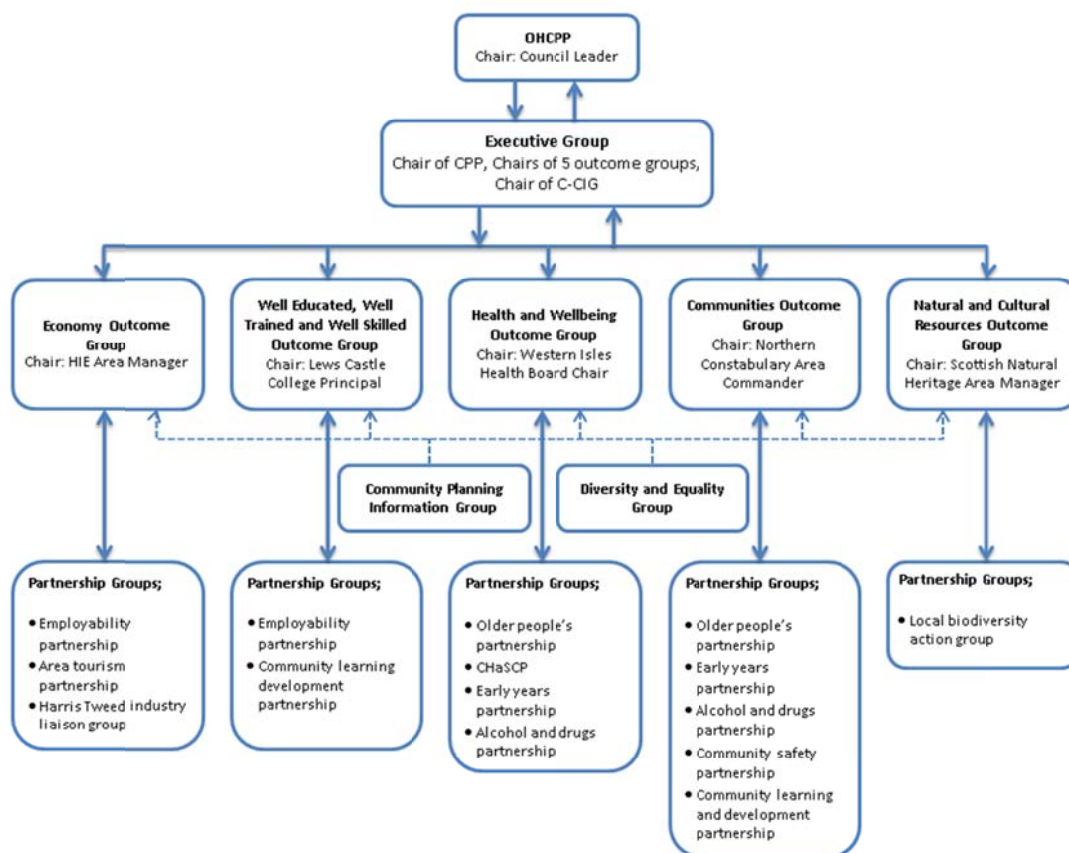- Highland & Islands Fire & Rescue Service

Source: Comhairle nan Eilean Siar

Exhibit 4

Community planning partnership structure

Source: Comhairle nan Eilean Siar

42. The partnership has been developing its arrangements over the last year. In July 2010 the comhairle appointed a partnerships coordinator to revitalise the outcome groups and clarify partnership working arrangements. In June 2011 the roles and reporting arrangements of the outcome groups were approved by the partnership. However, the groups continue to have no terms of reference. While it is too early to assess the impact of the new arrangements the partnership needs to monitor its effectiveness.

43. To be successful, an effective partnership requires direction and leadership from partnership senior officers and elected members. The OHCPP is effective in setting the strategic direction of the partnership. While the executive group considers overarching issues such as community engagement and receives updates on the work of the outcome groups it could provide more effective direction for the outcome groups. The roles and reporting arrangements approved by the partnership in June 2011 only cover the remit of the outcome groups but could be extended to cover the role of the executive group in overseeing the work of the outcome groups.

44. The comhairle is represented on the OHCPP by six elected members including the leader who is the chair. He also sits on the executive group along with one other member. They contribute effectively to setting the strategic direction of the partnership. The economic outcome group is the only outcome group with elected member representation. Elected members are not represented on all partnership groups. Elected members know their communities and have a good understanding of the issues affecting them. Elected members could therefore contribute to discussions as well as monitoring the progress towards achieving outcomes by participating in the outcome and partnership groups.

45. The partnership engages well with communities. The partnership held workshops in 2009 and 2011 to help it refine its SOA priorities. It undertook 13 community engagement events along with an on-line survey to find out how communities want the priority areas delivered. Through this work the partnership has recognised that it needs to raise awareness of what community planning is and what it means for the public. It has drafted a short leaflet to inform communities what action it will take in response to the community engagement events and how it will engage with them in future, however it only recently (May 2011) adopted the 2005 national community engagement standards.

Does the comhairle have the support of its partners to deliver improvements for the Western Isles?

46. Overall relationships within the partnership are good. Partners openly discuss issues that may have been difficult before the partnership was established, such as planning for wind farms and subsidies for local businesses. The third sector has become increasingly involved with partner agencies and works with the comhairle to assess and plan services.

47. There have been long standing tensions in the relationships between the comhairle and NHS Western Isles which have partly been due to the differing corporate priorities and governance and accountability arrangements. Officers are now developing a better understanding of their respective roles and responsibilities and are working jointly to ensure that this has a positive impact on services for their communities. The Western Isles face significant challenges in the future with an increasing elderly population along with fuel poverty and alcohol related issues. Its relationship with NHS Western Isles is vitally important in its ability to develop and build on partnership working.

48. The comhairle and NHS Western Isles work jointly through the Community Health and Social Care Partnership (CHaSCP), a joint services committee and a joint liaison and planning group. The Audit Scotland report 'Review of Community Health Partnerships' published on 2 June 2011 found that NHS Western Isles, the CHaSCP and the comhairle were unable to identify a clear role for the CHaSCP to facilitate better joined-up health and social care services. The role of the CHaSCP committee and other partnership groups has become increasingly blurred. Although the CHaSCP is intended to be an integrated structure, NHS Western Isles and the comhairle have their own separate managers and health and social care services are managed separately. The CHaSCP intends to review its partnership arrangements.

49. There is good partnership working at operational level. Officers and partners speak positively about the working relationships that have been developed. They can provide several examples of joint working including:

- Health promotion programmes involving young mums and active schools.

- High Fires project focussed on youths at risk of becoming disengaged involving the comhairle's community education department, Highland and Islands Fire and Rescue Service and Northern Constabulary.

- The comhairle and Highland and Islands Enterprise working together on the creative industries and media centre. This avoided duplication of effort and resources and has led to development of a joint strategy.

- The GP exercise referral scheme had 324 referrals between 2005 and March 2010. The majority (90 per cent) of those referred completed the programme. The scheme has an annual target of 120 but this figure is dependent on GP referrals.

- The older people's partnership was first established in 2002 and now reports to the health and wellbeing and communities outcome groups. The partnership is moving towards an integrated planning process for older peoples' services. This is a recent development and it is too early to assess the impact of this work.

- The comhairle and Northern Constabulary work together through the Alcohol and Drugs Partnership reporting to the health and wellbeing and communities outcome groups. The constabulary's local authority liaison officer is co-located within the comhairle's offices within the antisocial behaviour office. This has made working together easier.

50. The comhairle has developed a proposal, along with Orkney and Shetland Islands Councils, to create a single public authority for the Western Isles. This was shared with partners through the OHCPP. However, NHS Western Isles is unable to commit to any particular authority model at the present time. Nevertheless, the Comhairle and NHS Western Isles are committed to integrating service delivery and funding has been secured to facilitate this. Opportunities for shared service include estates management services and printing facilities. However, progress has been slow and it is uncertain if this and the other projects will proceed to implementation.

51. The comhairle raised the issue of a single public authority with the Christie Commission. The Christie Commission report stated that this was an interesting and positive idea, which could provide a valuable opportunity to explore and possibly pilot alternative models for the governance and organisation of public services.

52. The comhairle and its partners in the OHCPP are developing the foundations which will help them work towards the aspiration of initiating a single public authority. There is still some work to be done to demonstrate an effective Community Planning Partnership and this should be the focus for the partnership over the short to medium term.

Part 5. What has the comhairle and its partners achieved?

Most comhairle services are performing well including education, social care and community learning. However, performance in the partnership outcomes of 'growing and sustaining the economy' and on 'preserving and maximising the natural environment' is mixed.

The partnership does not have a performance management framework, and is therefore unable to demonstrate progress against outcomes. The comhairle has limited evidence to enable it to demonstrate value for money of its services or customer satisfaction.

What progress has been made in addressing the challenges for the Islands?

53. The partnership is unable to effectively demonstrate progress against outcomes due to underdeveloped performance management arrangements. Progress update reports from the outcome groups were reported to the partnership executive group in August 2010. These were brief, identifying that the groups were focussing on discussing and agreeing arrangements and the gathering of data rather than monitoring and reporting progress against outcomes.

54. The focus of the partnership over the last six to nine months has been in bringing together an SOA which identifies measures and targets to track progress and demonstrate the impact of partnership working. The last report on partnership outcomes was the 2009/10 SOA annual report submitted to the Scottish Government in October 2010. Compilation of the report was undertaken as a one-off exercise as there are no underlying systems in place for producing and collating the data for ongoing monitoring and reporting. A few indicators in the report have no baseline targets, end targets are not specific in several cases eg 'increase' or 'decrease' and the lack of data over a number of years makes it difficult to assess the direction of travel.

55. The partnership has recognised the need for regular reporting and is putting some changes in place. In June 2011 the partnership approved arrangements for outcome groups to report to the OHCPP executive group on progress every six months. Reports will include achievements, challenges and recommendations for any review required of outcomes and indicators. This will also inform reporting to the Scottish Government on the outcomes of the SOA.

56. Partnership outcome groups should be regularly assessing their progress and direction of travel towards achieving their outcomes. There should be a systematic process in place for collating data to enable them to do this. Indicators should have baselines and targets and

trend data over a number of years as this will enable them to measure the impact and assess the direction of travel. The partnership needs to develop a performance management framework to enable it to demonstrate that the partnership is adding value, to provide a clear and comprehensive account of progress against outcomes and to assure themselves that performance is moving in the right direction.

57. Given the absence of robust, quality information and in order to assess the progress made by the comhairle and its partners against outcomes, we collated data available from the SOA report and updated it by using data from the comhairle's electronic performance management system and independently sourced data. We have used data that is available over a number of years to help assess the direction of travel. The focus of our activity was on the outcomes for the economy, natural and cultural resources and aspects of education as these were identified through earlier work as areas which had little or no information on progress.

The economy

58. The comhairle and its partners share a vision for a thriving economy for the Outer Hebrides - 'The economy of the Outer Hebrides and the economies within the Outer Hebrides are thriving'. The OHCPP economic local outcome group has a key role in delivering this vision. The group is chaired by a representative from Highlands and Islands Enterprise and includes representation from Skills Development Scotland, NHS Western Isles, Lews Castle College, Third Sector Interface and Job Centre Plus.

59. The partnership's only report on progress against its economic outcomes to date was through the SOA 2009/10 annual report. The partnership assessed its progress as mixed. It identified that progress had been made in social enterprise and that there had been an increase in the number of visitors to the islands but that there was slow progress in developing the renewable energy sector and improving Gross Value Added or GVA (a measure in economics of the value of goods and services produced in the area). The report highlighted:

- there were 25 social enterprise start-ups compared to a target of five

- the production of Harris Tweed has increased beyond the target

- GVA per head has increased and is moving towards target

- There has been good progress on providing courses that are relevant to gaps in the workforce in the local area and developing new areas of research and providing training for young people in 2009/10:

    - Lews Castle College introduced four new courses

    - those having successfully qualified or gone on to employment following skill seekers/modern apprenticeships and training for work have increased over a four year period (80 per cent to 82.7 per cent for skill seekers/modern apprenticeships and 37 per cent to 69.2 per cent for training for work).

- the measure of the annual value of the tourism sector through ferry and aircraft passengers indicates an increase in the value of tourism for ferry passengers but a fall for aircraft passengers

- the number of renewable energy business start-ups has been slow and is well below target. However, there has been progress towards the target for the operation and production of renewable energy.

60. Our assessment of progress against the partnerships economic outcome reflects the partnership's assessment of mixed performance. Unemployment in the Western Isles at July 2011 was 6.7 per cent and has been rising since 2009 (5.9 per cent in 2010). This follows the current Scottish trend of rising unemployment, but remains below the Scottish average of 7.6 per cent. However, the average gross weekly earnings of full-time employees fell to £460.10 in 2010 from £493.20 in 2009, and is below the Scottish average of £486.90. This decline is in contrast to the year on year increases between 2006 and 2009.

61. A dwindling labour market presents a significant challenge for the comhairle and its partners when they are promoting the islands to investors and employers. Without economic investment, they face further challenges in encouraging young people and families to move to and stay on the islands. The public sector is by far the biggest employer across the islands and without a richer mix within the employment market, given the current financial climate, this presents further risks for the comhairle and its partners.

62. The comhairle has the second highest rate in Scotland for school leavers going onto positive destinations, including continued education, training and employment. The development of the University of the Highlands and Islands, with a campus based in Stornoway, has helped to provide some opportunities for continuing education without young people having to leave the islands.

63. The comhairle's corporate strategy recognises the role its services have in supporting and sustaining economic development across the Western Isles. Achievements include:

- introduction of the Outer Hebrides business support programme
- development of a creative industries and media centre
- introduction of the Harris Tweed investment fund
- support towards activities of the Hebrides range taskforce.

64. Non householder planning applications give an indication of the growth of industry in the area and processing applications efficiently and effectively helps to sustain economic growth. Almost 80 per cent of the planning applications dealt with by the comhairle relate to businesses. This is a much higher proportion than for most councils in Scotland. The number of applications has decreased by 14.3 per cent over the three years from 2007/08 to 2009/10 but, the rate of decline has been slower than nationally and for most of the comhairle's comparator authorities[1]. Most recent data indicates that the comhairle's performance is now showing an improving trend. This compares to a more modest increase nationally.

65. Processing times for responding to building warrant applications, issuing building warrants and submitting certificates of completion have all been below target. This has partly been due to

---

[1] Comparator authorities are selected based on their demographic and social features. For the comhairle the comparator authorities are Angus, Highland, Moray, Orkney Islands and Scottish Borders.

the additional work this service has been undertaking as a result of the Western Isles Schools Project (WISP). Despite the dip in performance, customer satisfaction with the building standards service has remained positive, with 82 per cent of customers being very satisfied.

66. In April 2009 the comhairle and Highlands and Islands Enterprise established a business gateway. In 2010 the business gateway secured £840,000 of funding to support business start-ups and growth in the Western Isles over three years. This has contributed to the increase in the number of business start-ups. In 2010/11 there were 38 business start-ups, against a target of 20.

67. The comhairle's economic and community development service reported positive results to the end of 2010/11 for support for social enterprise and community projects. There were 36 community projects supported (target 24) and 18 social enterprises (target eight). The comhairle is also creating and administering a Community Renewables Support Fund to enable the installation of renewable energies in communities.

68. Maintaining a good transport infrastructure system is key to developing the economy across the islands. The comhairle has the second highest percentage of road network which should be considered for maintenance when compared to other councils. Many of the islands roads are single track and plans to double track the spinal route were delayed in 2009/10 due to a delay in securing funding from the European Regional Development Fund (ERDF). The comhairle has now obtained ERDF funding and is progressing a number of road network schemes. The comhairle submitted a response to the Scottish Government's review of Scottish ferry services and has taken part in a number of consultation meetings. This review will result in a long term national plan for ferry services. Development of the comhairle's local transport strategy has been delayed to take into account the outcome of this review and its own budget considerations.

69. The Western Isles has a high level of homelessness and a limited housing supply. This has a significant impact on the economy of the islands as people seek to relocate to the islands for work and young people look to secure homes. A target of building 40 new affordable houses per annum in 2010 and 2011 was agreed with the Hebridean Housing Partnership. This target is being met but further progress is required to meet demand for affordable housing. The comhairle is making good progress towards achieving the government's target for the abolition of priority need by 2012. Recent data shows that only 12 per cent of applicants were non-priority a drop of ten per cent from 2008. The comhairle can also demonstrate that it performs well in assessing homelessness cases compared with comparator authorities. In 2009/10 the comhairle outperformed most of its comparator authorities for the percentage of decision notifications issued within 28 days, the percentage of people housed into permanent accommodation and the percentage of reassessments required. The most recent SPI data indicates that these trends have continued for most of these indicators, with the exception of reassessments for temporary accommodation cases and the percentage of permanent housing cases where people are housed into permanent accommodation.

Natural and cultural resources

70. The comhairle and its partners share a vision to preserve and maximise the natural environment of the Outer Hebrides 'for the people of the Outer Hebrides to derive the maximum benefit from the natural and cultural resources of the area, whilst at the same time safeguarding those resources to benefit future generations'. The OHCPP cultural and natural resources local outcome group leads on this priority. The group is chaired by a representative from Scottish Natural Heritage (SNH) and includes members from the Scottish Environment Protection Agency and the third sector.

71. The 2009/10 SOA annual report highlights mixed progress in relation to this outcome area. There has been some progress against priority targets on recycling and waste reduction but other priority targets such as improving access to art and music courses and reducing the public sector carbon footprint has been slower. Indicators for 2009/10 show:

    - there had been some progress in increasing recycling and reducing waste to landfill

    - there had been some progress in increasing the number of post school courses for art but a full range of courses is yet to be provided

    - there had been no reduction of public sector carbon footprints.

72. The comhairle has made some progress in increasing recycling and reducing waste to landfill despite all waste being classed as municipal. However it has the one of the lowest recycling rates in Scotland and the highest cost of disposal of waste per household.

73. There are logistical challenges due to the comhairle's remote location and other specific local circumstances such as the absence of any meaningful private sector partner, a limited local market for recycled materials and a prohibitively high cost of transporting recyclates to the mainland. However, this will not absolve the comhairle of their requirements and targets under Scotland's Zero Waste Plan.

74. The comhairle does not have a long term strategy for waste management. Waste is currently recycled using an anaerobic digester. This was constructed a few years ago and was largely funded by investment from the Scottish Government. The comhairle has expressed a desire to create energy from waste, however, this would involve thermal treatment of a greater volume of waste than that currently allowed by the Scottish Government.

75. The comhairle and its partners have made limited progress to date overall in reducing the carbon footprint of their organisations. The comhairle developed a joint carbon management plan with NHS Western Isles during 2007/08 and published it in April 2009. The current aim is to reduce carbon emissions by 25 per cent by 2015 however the organisations have been unable to demonstrate any reduction to date.

76. Community education services has received positive feedback from external inspections and has exceeded its target for those who have taken part in courses having achieved at least one of their learning outcomes. The comhairle has also exceeded its target for participants in the 'get ready for work scheme' achieving positive outcomes. Additionally, external inspections have commented positively on the comhairle's work with a range of partners to promote

Gaelic related learning opportunities. The comhairle has not however achieved its targets for 20010/11 for the provision of community based adult learning opportunities or for the number of adults accessing literacy and numeracy courses.

77. Other comhairle services support the work towards developing the cultural resources of the Western Isles; include libraries, museums and leisure. Library usage figures are good, significantly above the Scotland wide figure and in line with or above the performance of comhairle's comparator authorities. However, usage figures have been declining over the last few years. As part of its budget considerations, the comhairle is reviewing a range of options for the continuing provision of library services. These options have been informed by customer feedback as well as usage figures and include looking at opening hours and staffing structures.

78. The comhairle has had difficulties in past years in collecting reliable information about its museum usage figures, which has resulted in it not being able to meet the reporting requirements for the relevant SPI. It has now reviewed its approach to collecting this information and their return for 2010/11 has been accepted as reliable. Based on this return, museum usage levels in the Western Isles compare favourably to the comhairle's comparator authorities. The comhairle has been working with Museums Galleries Scotland and the Museums Association to improve its collection management systems and its approach to accessing current collections information. Museum nan Eilean, in Stornoway, hosted the Lewis Chessmen exhibition in April to September 2011. This was the flagship event for the 'Year of Islands Culture' festival.

79. Attendance at leisure facilities and swimming pools has been increasing and are in line with or above most of the comhairle's comparator authorities. The comhairle has been upgrading sport facilities and is working with Sportscotland to progress further projects. The comhairle introduced an affordable access to leisure scheme, Slàinte Mhath, in January 2010. There has been a very positive uptake of this scheme, with membership levels exceeding the comhairle's targets (Exhibit 5). The comhairle is looking at options for the ongoing delivery of leisure services as part of their budget considerations.

Exhibit 5

'Slàinte Mhath' scheme

Slàinte Mhath, which means good health in Gaelic, is a reduced price access scheme for the comhairle's sport facilities. Launched in January 2010, the scheme gives members access to all sports facilities, including pools and classes, across the islands. The comhairle had identified that sports participation levels were decreasing and that some health indicators, around heart disease and obesity levels, were highlighting challenges for achieving positive health outcomes. The scheme was launched with the aim of increasing participation in physical activities and supporting long term health improvements.

Memberships are available in two main categories; families at £20 per month and individuals at £15 per month. There are also a number of concession rates available, including for those in full time education and those receiving benefits.

By the end of March 2011 the scheme membership was 2,387, which equates to around 5,000 individuals. This is almost 20 per cent of the islands' population and exceeds the comhairle's expectation on membership take up.

The comhairle are currently progressing a number of facility upgrades with the aim of refreshing some of the older sports facilities and strengthening the appeal of the Slàinte Mhath scheme.

The financial viability of the scheme and current membership pricing structure is based on generating a target level of income from each sports facility. Target income levels were exceeded in the infancy of the scheme and the membership pricing structure for 2011/12 has been maintained. The comhairle recognises that a number of issues may impact on membership over the next year including the reduction in public sector spending, opening hours of facilities and forthcoming VAT increases. Target income levels may need to increase in future either through increasing membership numbers or membership prices.

Source: Audit Scotland

Education

80. The comhairle and its partners share a clear vision for a well educated, trained and skilled workforce where young people are successful learners and children have the best start in life. The OHCPP education, training and skills outcome group leads on this outcome. The group is chaired by the principal of Lews Castle College and membership also includes Skills Development Scotland, the third sector and the comhairle.

81. The 2009/10 SOA reports a positive direction of travel and good progress towards this outcome. There has been good progress on providing courses that are relevant to gaps in the workforce in the local area and developing new areas of research, as well as providing training for young people, though more progress is required on reaching targets in numeracy and literacy programmes.

82. Educational attainment is strong and the comhairle's education service performs well. The comhairle has a higher rate of pupils staying on to fifth and sixth years of school education and high levels of pupils entering positive destinations, including further education, training and employment, compared to both the Scottish average and comparator authorities.

83. There also continues to be a strong commitment to early year's provision, with positive inspection results received for early years establishments. Senior staff and the Early Years Link Officer Team work well with the Childcare Partnership to deliver pre-school learning experiences across the islands.

84. In May 2010 the comhairle published proposal papers in relation to the closure or change to education provision in 11 schools. The comhairle carried out a period of consultation and made a decision in November 2010 to close eight primary schools and discontinue S1/S2 education in a further three schools. The Scottish Government called in the decisions relating to the closure of two primary schools and the discontinuation of S1/S2 education in two schools. The Scottish Government refused consent for these decisions to go ahead in January 2011. The comhairle is in the process of taking forward a judicial review into this

decision. The Scottish Government has since called for a year long moratorium on the closure of rural schools.

How are comhairle services performing?

85. Most of the comhairle's services are performing well and external scrutiny inspections in education and social work have reported positively about services. The comhairle is aware that it needs to improve services in waste management and fostering and adoption and is now making progress in its building maintenance commercial operation.

86. The community care and criminal justice service has undergone a number of service changes. It has completed a move to purchaser-provider arrangements within the assessment and care management and home care functions and has introduced care coordinator roles within the home care function from within existing staff resources. This is aimed at providing a more coordinated approach to home care delivery, including the management and supervision of contracted home care worker arrangements. The comhairle provides significantly higher number of hours of home care per 1,000 population over 65 years of age than its comparator authorities. Of all council areas in Scotland, the Western Isles has the highest percentage of older people receiving free personal care at home.

87. SCSWIS carried out a follow-up social work inspection in February 2011. The inspection found that progress was being maintained in many areas identified in the previous inspection in 2010, notably around the production and implementation of adult protection procedures; the development of a specific performance monitoring and management framework; and a programme of training for staff.

88. Key performance indicators highlight that the comhairle is achieving its targets for implementing community behaviour orders and offender support plans and is also meeting its target for the submission of social enquiry reports.

89. Recent inspection work by the Care Commission found significant improvements in the fostering and adoption service, following areas of concern being raised through previous inspection activity. There have also been positive inspection findings in relation to child protection services and the comhairle approved an integrated children's service plan in June 2010.

Customer satisfaction

90. The comhairle captures its community's views on priorities and outcomes through public meetings but it has not carried out any recent work to assess user satisfaction. The comhairle is now piloting the customer satisfaction measurement tool developed by the Improvement Service. Some services can demonstrate good approaches to surveying their customers to build up a picture of satisfaction and areas for improvement, for example in the community care and criminal justice team. The comhairle could do more to share this good practice and learn from the activity within services to inform a more corporate approach.

91. While user satisfaction has historically been good this information is now significantly out of date and needs to be refreshed. A community appraisal survey was undertaken in 2007 covering satisfaction and accessibility to not only comhairle services but police, health and other community services. The 2007 community survey found least satisfaction with road repairs (34 per cent) but most satisfaction with primary (91 per cent) and secondary (88 per cent) education. The community were generally satisfied with social and leisure (74 per cent) and comhairle services (66 per cent). The 2010 Scottish Household Survey (SHS) reflects this satisfaction with positive responses for the comhairle compared to the Scottish average and comparator authorities. While the comhairle has close links to its community and is made aware of issues through its elected members there is a need for regular feedback on services to enable the comhairle to gain assurance on the quality its services and assist them in evaluating value for money.

Value for money

92. The comhairle is broadly aware of how its services are performing but it has limited evidence to enable it to demonstrate that they are delivering value for money. The comhairle considers value for money when carrying out its best value service reviews (see paragraph 137) and when renewing contracts and initiating projects. However, the comhairle does not have systematic processes and procedures in place to enable it to assess value for money on an ongoing basis by considering the cost versus quality and efficiency of its services. Although it seems reasonable to assume that the 'islands factor' will have an influence on the cost of service delivery the comhairle is not able to assess how much of an impact this has, or whether this masks other cost factors. The absence of local competition and markets may also lead to the comhairle paying more for some services and this will be a consideration in its assessment of value for money.

93. The technical services department is responsible for the comhairle's commercial operations (trading operations). These are operated under The Local Government Scotland Act 2003 and are required to break even over a three year rolling period. Most commercial operations have achieved break even over recent years apart from the bus operation and building maintenance. The bus operation incurred losses for a few years but retendering has addressed this and the service has returned a small surplus in each of the last two financial years.

94. Building maintenance has incurred losses over the last four years. The loss for 2010/11 was £452,000 however this included exceptional costs of £279,000 in respect of redundancy costs and the write off of obsolete stock. Other steps taken to contain costs included integrating the service within trading services to better manage peaks and troughs in workload and to centralize the management of repairs. Overall, restructuring and resizing the operation has reduced management costs by 86 per cent and staff costs by 39 per cent. The full effect of these actions is expected to materialise in 2011/12. The comhairle recognises that further reductions in overheads are necessary to ensure the service remains viable.

95. The comhairle has had significant overspends in its winter maintenance budget in the last two financial years due to harsh winters. The overspend in 2010/11 was £618,000, resulting in

winter maintenance expenditure of £2.327 million. These overspends have highlighted the high cost contracts that the comhairle are currently locked into and contracts are currently being renegotiated.

Part 6. Is the comhairle managing and using its resources effectively?

The comhairle manages its finances prudently but faces significant financial pressures over the next few years due to changing demographics and funding uncertainty. It needs a longer term strategic financial plan to support the difficult decisions it faces due to these pressures.

There has been steady progress in workforce management and planning. However, progress has been slower on procurement and risk management. While overall progress on asset management has also been slow, the comhairle has made significant progress on its school estates.

The comhairle has made steady progress in promoting equalities and sustainability.

Financial planning

96. All councils face a difficult financial outlook, with the need to provide and maintain quality services while achieving an unprecedented level of savings and efficiencies.

97. The comhairle has managed its finances prudently over the short term and has retained uncommitted reserves over recent years at, or around, the planned £3 million mark. The comhairle recognised the financial challenges when agreeing its budget strategy for 2011-14. The strategy comprised five strands of work to identify savings, including the HR strategy. The comhairle considered various budget options and identified the budget reduction of £5.3 million required to break even in 2011/12. The process to identify savings demonstrated good working relationships between officers and members, including seminars to keep members informed of the process, costed options, and the importance of the decisions they were required to make. The public have and continue to be consulted on the various proposals to achieve the service reductions. This process was thorough and effective.

98. The comhairle has brought forward the budget setting timetable to allow more time for discussion of priorities and service choices. Good progress has been made in recent years to ensure that budgets link to service plan objectives. Business plans and budgets are prepared in parallel with each other, with each director committing to fulfilling all of their statutory duties plus the outcomes and objectives in their service plan within the budget allocated to them.

99. The comhairle estimates that savings of over £24 million will be required over the four year period from 2011/12 to 2014/15 to meet funding reductions. The process for determining options for savings has been carried into the budget strategy for 2012-15. The comhairle's agreed strategy is to plan for a five per cent year-on-year funding gap. Based on the initial £118.4 million budget this would amount to £5.9 million for 2012/13. The comhairle's policy

choices in setting the 2012/13 budget will be more difficult than those addressed in setting the 2011/12 budget. These choices are likely to include changes to service delivery and service provision over and above an ongoing programme of two per cent efficiencies, with possible effects on comhairle structures and employee costs.

100. The comhairle recognises the demographic impact that an increasing proportion of older people, combined with a reduction in the population at schooling age will have on the islands and makes annual increments to the budget to reflect this. However, it does not have an over-arching financial strategy covering the longer term. This will make it difficult to assess the overall impact of reduced funding across the organisation going forward.

101. The comhairle continually meets its target to incorporate two per cent efficiency targets into its annual budgets. The comhairle recognises the current financial climate makes it imperative to continue to achieve efficiency savings of at least this scale and it is addressing this through the budget strategy 2012-15.

Workforce planning and management

102. There have been recent improvements to workforce management and planning and there has been steady progress. The comhairle approved a HR strategy in 2010 and proposes to reduce recruitment to a minimum, seek volunteers for redundancy in the first instance in all areas of service reduction and to develop efficiency savings in methods of working.

103. The comhairle sought voluntary severance in accordance with the HR strategy as part of the 2011/12 budget setting process. This resulted in savings of in excess of £3.5 million over the next five years, following an initial cost of £1.564 million in 2010/11. The comhairle recognises that these savings will not be sufficient to meet the severe financial constraints for 2012-14.

104. Further volunteers for redundancy are currently being sought under the same terms as offered in 2010/11. However, the comhairle realised in its approved HR strategy that it may not be possible to reduce service areas selected through the service choice options for cuts without compulsory redundancy.

105. In 2011 the comhairle approved a policy on workforce planning which incorporates succession planning for business continuity purposes over a three to five year period. All departments will prepare a current workforce profile and identify future workforce and skill requirements. The comhairle intends to use the information to help them identify and manage risks in relation to their capacity, ensure that critical skills are retained and that volunteers for redundancy and early retirement are assessed against set criteria. The comhairle successfully used a similar process in 2010 when downsizing the building maintenance service to meet a reduction in the work it carried out. However, during Audit Scotland's recent Housing Benefits risk assessment exercise, concerns were raised around the capacity and succession planning within the benefits service.

106. The comhairle last carried out a corporate staff survey in 2008. There are a number of examples of surveying sections of staff (for example in community care, criminal justice and home care workers) but the comhairle could do more to collate and share the results from

surveys and adopt a more corporate approach to obtaining regular staff feedback. Obtaining regular feedback from staff will help develop communication with staff generally and will assist the comhairle to respond to staff and use the information in planning improvement activity.

107. Sickness absence levels are high for teachers -8.6 days lost per teacher in 2009/10 (compared to 7.5 for Scotland) and have stayed around this level for 2010/11.For other staff the most recent information shows a deteriorating trend in absence levels compared with9.5 days lost in 2009/10 (11.6 for Scotland). Both indicators are among the poorest in Scotland. The human resources subcommittee is responsible for monitoring sickness absence and receives regular reports.

108. The comhairle introduced a performance appraisal process in September 2009. In 2009/10 only 43 per cent of the performance appraisals were completed. The comhairle set a target for 2010/11 of 95 per cent but the actual rate was 72 per cent. Although this represents a significant improvement the completion of appraisals is still below target and the completion rates in home care and housing support and roads and transport require particular attention.

Asset management

109. In the 2006 Best Value report the comhairle was at the early stages of developing a corporate approach to asset management. While progress on developing a corporate approach to asset management has been slow the comhairle has been successfully managing its school buildings and is seeking to address recurring slippage in its capital programme.

110. The comhairle has taken some actions to improve asset management, in particular: centralising the responsibility for repairs; creating a properties database in respect of disability discrimination act responsibilities; introducing a surplus asset disposal policy; agreeing an improvement plan which addresses the recommendations set out in Audit Scotland's national report on Asset Management in Local Government; and establishing an Asset Management Working Group.

111. The recent actions taken by the comhairle will improve its knowledge base of the assets it owns, uses, and maintains. The comhairle needs to develop a framework where property asset management is clearly linked to the corporate objectives and service needs and drives the capital programme. Currently, there is little evidence to demonstrate whether its action to date has reached this stage. It is also essential that, for all assets, there are detailed records regarding the condition, usage, purpose, annual running costs, required maintenance costs etc. to enable effective asset management. There is also limited evidence of working with partners to jointly rationalise assets.

112. The percentage of the comhairle's buildings that are accessible to disabled persons is one of the lowest in Scotland (34 per cent for 2009/10 compared to 60.5 per cent for Scotland) and this is the same for the percentage of its buildings that are in satisfactory condition (53.7 per cent for 2009/10 compared to 79.4 per cent for Scotland). While there have been improvements in both these indicators the comhairle still has a significant way to go to be in line with their comparator authorities. Their performance on the percentage of their operational

buildings which are suitable for their current use is slightly above the Scottish average (72.1 per cent for 2009/10 compared to 69.3 per cent for Scotland). The most recent information indicates no change in the position.

113. Schools and educational buildings comprise most of the comhairle's assets. The comhairle is managing these through its Western Isles Schools Project (Exhibit 6) and through a rationalisation programme.

Exhibit 6

New schools building project

Construction work on the comhairle's Western Isles Schools Project (WISP) got underway in 2010. The comhairle secured funding to build six new primary and secondary schools covering 40 per cent of the school population on the Western Isles. The overall construction cost is forecast at £74 million with schools being completed by August 2012. The comhairle is also committed to lifecycle maintenance costs of these schools for the subsequent 30 years. Expenditure to 31 March 2011 was £22.2 million and the project is currently running on time and within budget.

The comhairle proposed in 2010 to close or amend education provision in eleven schools. It is currently seeking a judicial review following the Scottish Government's decision to refuse consent to closing two schools and stopping S1/S2 provision in a further two. The comhairle will need to make annual savings of around £900,000 from 2012/13 if education provision continues in the four schools. The comhairle has started to consider how this will be achieved should the situation arise.

Source: Audit Scotland

114. The comhairle has experienced recurring slippage in its capital programme although the scale has reduced in recent years. Reasons for this are varied and include lack of staffing resources, delays in obtaining financing where a project is to be jointly financed and the absence of available skilled craftsmen. This suggests that the programme may be overambitious or require stricter management. Members and senior managers are provided with regular progress reports regarding all projects in the five year capital plan. The comhairle plans to carry out a best value review of capital projects in 2011/12 but the scope of this review has still to be agreed.

Risk management

115. The comhairle has been slow at bringing risk registers up to date and developing their approach to risk management. However, risk management is beginning to improve. The strategic risk register and department operational risk registers have recently been updated and presented in a more consistent format. These have been incorporated into service business plan objectives and the performance management system - Interplan - as a means of more actively managing risks. Quarterly progress reports will be made to future meetings of the CMT and to the Audit and Scrutiny Committee.

116. The Strategic Risk Management Group (SRMG), which oversees risk management activity, was established in July 2008 and is chaired by the director of finance and corporate resources and includes representatives from all departments. This group met three or four times a year but now meets every two months and is influencing improvements in risk management. The SRMG has helped to establish an action plan of risk management goals for the short, medium and long term. It is important that the action plan is monitored and that services are held to account for any slippage, inactivity, or failure to demonstrate how they are managing risks.

Procurement

117. The comhairle has failed to achieve conformance status against the Scottish Government's annual procurement capability assessment (PCA). In 2009, the Scottish Government promoted the use of an annual PCA to review performance in all public sector bodies and as a basis for the sharing of best practice and continuous improvement. Councils need to achieve 25 per cent or more to achieve conformance status. The comhairle were assessed in 2009 and 2010 and over that period it improved its PCA score from 15 per cent to 21 per cent (the average score for local government in 2010 was 34 per cent). This still represents non conformance and an area where improvements are required. The comhairle failed to achieve conformance status primarily because of the small size of the procurement team, the procurement activity being undertaken by departments rather than centrally and the limited development of the strategic procurement role.

118. In March 2011 the comhairle approved a PCA action plan with 32 actions to achieve conformance status. This was developed with the help of the Scotland Excel procurement improvement team. The comhairle recognises that a lot of work and support from departments will be required to deliver the improvements identified in the plan. Work is ongoing to implement the action plan. The comhairle intends to carry out a best value review of procurement/tender contracts in 2011/12.

119. In accordance with the PCA Action Plan, the procurement strategy has recently been updated. The revised procurement strategy includes key performance indicators which will be monitored through monitoring reports produced at least annually. It is important that this is implemented and that the timeframe is not extended.

Customer service

120. The comhairle customer service strategy and customer care standards were approved by the comhairle's Policy and Resources Committee in September 2008. The customer care strategy aims to improve customer service through easily accessible services and well informed staff. The customer care standards are a set of measures to assess performance for contact with customers by letter, telephone or face to face.

121. The comhairle set up a customer services steering group following approval of the strategy and standards to prioritise and monitor the strategy. The steering group was revitalised in 2010 but there has been no reporting to date against customer service standards. This

reporting is necessary to enable the comhairle to assess and publicise its performance to customers.

What progress has the comhairle made in promoting sustainability?

122. Sustainability is clearly reflected in the vision for the comhairle and its partners and social sustainability and economic vulnerability feature prominently in strategies and plans. The comhairle's corporate strategy reflects its priority for action as 'to demonstrate improved population retention and immigration' and partnership objectives refer to stabilising the population of the islands, a thriving economy, stronger communities and deriving maximum benefit from natural and cultural resources.

123. The comhairle's Sustainable Development Committee has a wide remit which includes community, economic and environmental issues. Members show a clear focus on social sustainability issues, reflecting the area's context. This encompasses aspects of economic sustainability, development, tourism, service sustainability and access demonstrating an overall approach to sustainability.

124. Sustainability is covered in more detail elsewhere in this report; environmental sustainability can be found in Part 5 covering outcomes and sustainability of communities can be found under Part 7. The comhairle and its partners have made mixed progress towards outcomes relating to the environment and their natural and cultural resources. However the comhairle displays strong community leadership and effective partnership working where the sustainability of local jobs and the economy are at risk.

What progress has the comhairle made in promoting equalities?

125. The comhairle is committed to addressing equalities matters and has considered the implications of the Equalities Act 2010. The single equality scheme for the comhairle sets out the core role of equality and diversity within the work which the authority is both responsible for and is involved in. Everyone working for or with the comhairle has a responsibility with regard to promoting equality of opportunity and building positive relationships between different groups. Successful advancement of the equality agenda will depend on partnership working between the comhairle and the community.

126. The comhairle works jointly with its partners through the OHCPP to address equalities issues through the multi agency Diversity and Equality Steering Group, but the group is not operating effectively. Although the group agreed to report to the OHCPP twice a year on equalities matters it has not met since December 2010 and its action plan is out of date. Given the role the group is supposed to have, there is a risk that work becomes fragmented and that the group can not demonstrate better outcomes for their community.

127. The comhairle has been well prepared for changes arising from the 2010 Act. Its single equality scheme has been updated to reflect the Act and while existing guidance and templates on undertaking equality impact assessments already cover most of the additional

equalities characteristics covered by the Act they will be updated. The comhairle has made good progress in embedding equalities matters in the creation of policies or changes to services and a review of all existing comhairle policies is ongoing to establish whether they require an equalities impact assessment.

128. Committee reports contain a section for outlining any assessed impact on equalities of the proposed policy or action. In addition, all best value reviews and annual budgets now include an equality impact assessment on the proposals or changes.

129. In February 2010 the comhairle carried out a review looking at the continuing need for local area coordinator services helping people with disabilities take part in the wider community. The comhairle carried out full consultation of users looking at the benefits of services, the national standards for local area coordination and this required a full equality impact assessment. The service has continued but there have been changes made to working arrangements. In its June 2010 newsletter the Learning Disability Alliance Scotland (LDAS) contained an article on the review. The LDAS highlighted the equality impact assessment as one that other councils could learn from.

Part 7. What are the comhairle's prospects for future improvement?

Political and community leadership in the comhairle is strong and governance and scrutiny arrangements are effective.

The comhairle does not have a systematic approach to continuous improvement and has made slow progress with embedding an effective performance management framework. The chief executive and the CMT need to direct activity more effectively in these areas. Elected members should be more involved in directing and challenging activity in these areas.

Is the comhairle aware of where it needs to make improvements and is it committed to change?

130. In its findings on the 2006 Best Value audit the Accounts Commission commented that the comhairle was unable to demonstrate a commitment to continuous improvement which was built into its processes. Areas of concern included the absence of robust performance management arrangements and mixed service performance where information was available.

131. The comhairle has made progress on areas for improvement identified in the 2006 Best Value audit report with an increased pace of change over the last 18 months as individual members of staff have been given specific responsibility for projects. Progress on performance management, risk management and asset management has been slower than other areas. However the comhairle has been focusing on key areas such as workforce planning, review of political and managerial structures and financial planning. The impact of this work has been:

- Implementation of the first phase of an electronic performance management system linking business plans to activity and outcomes. Quarterly performance reports are produced for officers and members.

- Up to date corporate and departmental risk registers.

- The centralisation of repairs and maintenance and a database of building suitability under the Disability Discrimination Act.

- Approval of an HR strategy that takes into account financial constraints over the next few years; development of a performance appraisal system; and development of workforce planning.

- Stronger political leadership and more streamlined management structures.

- More effective financial management and budget setting.

132. The need to increase the pace of change has been a recurring comment in previous annual audit reports. The pace of change has increased recently and the comhairle needs to support the progress made to date by embedding improvements and also sustaining the recent pace of improvement.

133. The comhairle has limited capacity and this makes it necessary in some cases for individuals to be given responsibility for driving forward improvements. This means that there are clear lines of accountability but there is also a risk that other priorities and day to day commitments restrict or slow the pace of development work. The comhairle should ensure that it strikes the right balance between individual responsibility and corporate ownership so that the pace of improvement work can be sustained.

134. An effective approach to continuous improvement activity comprises a culture of continuous improvement, ongoing self-assessment and performance monitoring and a coordinated improvement programme. A culture of continuous improvement will develop where there is openness and transparency at all levels about what needs to improve and where continuous improvement activity is embedded throughout an organisation. An ongoing improvement programme or self-assessment process will continually challenge and improve performance. Elected members have a key role to play in scrutinising and challenging this activity.

135. The comhairle does not have a corporate self-assessment process to help it identify where improvement is most needed. Some departments carry out self-evaluation work, for example in areas of the education and children's services department. The chief executive and his management team rely heavily on scrutiny and challenge from external auditors and inspectors to focus their improvement agenda alongside their programme of best value reviews.

136. The comhairle's corporate improvement plan was initially developed in response to Audit Scotland's first Best Value audit. There are a number of outstanding items from the first audit included in the plan. These relate to performance management, public performance reporting, risk management and corporate asset management. Items relating to Investors in people (IiP) and workforce/succession planning have been added to the improvement plan and the comhairle adds issues raised by external scrutiny agencies as well as issues identified in the AIP arising from the SRA process. All of this means that the current improvement plan is reactive in nature and there is no clear process for the comhairle to identify items for the improvement plan, to prioritise them and gain assurance that it is focussing on the right things.

Best value reviews

137. The comhairle is embarking on its third year of a programme of best value service reviews. (Exhibit 7). The areas for review were selected by service directors, agreed with the CMT and approved by the Policy and Resources Committee. The reviews are carried out in accordance with clear guidance. On completion of each review an improvement plan is agreed within the appropriate service. The comhairle has recently completed an internal best value review of the waste management service. This was a wide ranging review which highlighted the key issues that the comhairle faces in order to improve the waste management service and to help meet

future targets. The comhairle are currently preparing an improvement plan in response to the review.

Exhibit 7

Best Value service reviews

2009/10

Integrated Transport

Civic Catering

School Catering

Building and Cleaning Service

Street Lighting

Building Maintenance

2010/11

Mobile Phones

Waste Management Service

Care at Home and Care Homes (currently underway)

2011/12 proposed topics

Corporate Travel

Capital Projects

Procurement Contracts

Source: Comhairle nan Eilean Siar

138. The comhairle recognises that its approach to best value service reviews has limitations. Not having a corporate self-assessment process means that improvement work is identified by individual service directors. This process is not sufficiently robust as it lacks a firm evidence base for determining where improvement work is needed. There are also risks that improvement work is focussed within individual departments and that corporate and cross-cutting areas are not covered and that improvement work is not sufficiently well prioritised and coordinated. Elected members are not involved in the process for evaluating and selecting areas for review, this is a missed opportunity as they can provide an independent perspective and scrutiny to the process.

139. The comhairle also acknowledges that there have been delays in producing actions plans under the current arrangements. This has, in turn, contributed to the slow pace of change across services.

Does the comhairle have the leadership capacity and capability to deliver the improvements that are needed locally?

140. The comhairle's political leadership is strong and elected members work effectively together. The decision in 2008 to create the post of leader distinct from the convenor post has provided clarity to the public and staff on these roles. The leader was personally involved in all community consultation events on difficult budget decisions and changes to school provision. He has been at the forefront in bringing together partners and the community to create the Hebrides range task force and the Outer Hebrides coastguard task group.

141. The chairs of committees are experienced councillors and demonstrate effective leadership of meetings and of issues specific to their committees. Working relationships between members are good; members have a positive approach, are committed and work together in the interest of the whole Outer Hebrides. Relationships with comhairle staff and the CMT are good.

142. Elected members have only minimal engagement with improvement activity. The Policy and Resources Committee approves and monitor the programme of best value reviews and the Audit and Scrutiny Committee monitors the corporate improvement plan. The comhairle has effective scrutiny arrangements (paragraph 149) and the comhairle should make more use of these arrangements, involving elected members more directly in directing and challenging corporate improvement activity.

143. The current CMT has been in place since April 2010. The chief executive and his corporate management team have good relationships and recognise where improvement is needed. The chief executive's approach to taking decisions and directing action is a considered one. This approach brings benefits including the evaluation of all available options, ensuring the approach is right for the comhairle's communities and that the resources are available to take things forward. There is a risk however that decisions take longer to make and that the pace of change is slow. The current pace of change needs to increase and the chief executive and his management team need to assure themselves that the balance between the two is right.

144. The CMT should demonstrate strong leadership in managing performance and driving continuous improvement. However, CMT meetings, the forum for discussion of strategic issues, rarely focus on improvement activity and related performance issues. Regular discussion of these issues at these forums would help to develop the culture throughout the comhairle of performance management and continuous improvement. Minutes of meetings could be shared with staff who are then encouraged to discuss these issues in their own departments and across the comhairle with colleagues.

Community leadership

145. The comhairle displays strong community leadership. For example, the comhairle demonstrates strong leadership and effective partnership working where local jobs and the economy are perceived to be under threat.

146. The comhairle leader chairs the Hebrides range task force which was successful in campaigning to reverse the June 2009 proposal to reduce activity at the Ministry of Defence

(MoD) Hebrides range run by QinetiQ and to secure further apprenticeships. (Exhibit 8). The task force went on to consult with the local community and produce an economic diversification strategy for Uist and Benbecula, recognising the reliance of the community and local economy on the Hebrides range and its activities. The strategy for 2010 to 2015 identifies a number of projects to diversify and sustain the local economy. The task force continues to monitor the strategy.

Exhibit 8

Hebrides range task force

The Hebrides range was established by the MoD in 1957, with facilities based on Benbecula, North Uist, South Uist and St Kilda. At this time it was home to a significant community of military personnel. In 1994 the military presence was reduced, the range was civilianised and its operational management was thereafter passed to the MoD's private sector partner QinetiQ. The range has remained one of the most significant employers in the Western Isles.

The Hebrides range task force was established in June 2009 to campaign against government proposals at that time to reduce the MoD operations at the range. Along with the comhairle, the task force includes membership from community representatives, the MoD, the Chamber of Commence, Trade Unions, the Western Isles MP and MSP's, Highlands and Islands Enterprise and Skills Development Scotland. It is chaired by the comhairle leader, Councillor Angus Campbell.

The task force created a defence case and a socio-economic case for the continuation of the range. They also worked together to look at opportunities for the enhancement of the range and for diversification of the local economy. They have developed an Uist and Benbecula Economic Diversification Strategy, focussing on population stability and promoting growth in key sectors including tourism, creative media, energy, life sciences, food and drink, and finance and business.

The original proposals for reducing the range were dismissed in September 2009 by the then UK Government. However the task force continued to campaign for the future of the range, with renewed concerns arising from the change in UK Government and the resulting spending revues.

Recent announcements made by the MoD have confirmed that the future of the range is safe for at least the next five years. The MoD have said it will be working with QinetiQ to look at investment in the range facilities and have said it is willing to work with the Hebrides range task force to look at additional uses for the range.

Source: Audit Scotland

147. The comhairle also led on the Outer Hebrides Coastguard Task Group established to respond to the UK Government's proposals to modernise the coastguard service. Members of the task force include the comhairle, Stornoway Port Authority, Western Isles Fisherman's Association, coastguard representatives, local MP and MSP's.

148. The proposals included closing coastguard offices in Shetland and Stornoway and had implications for marine safety in and around the Outer Hebrides. The task group made a written response to the consultation and petition to the Government. This included a full risk-

assessment of the implications. The UK Government's Transport Committee considered the proposals and both the Stornoway and Shetland coastguard offices will remain open.
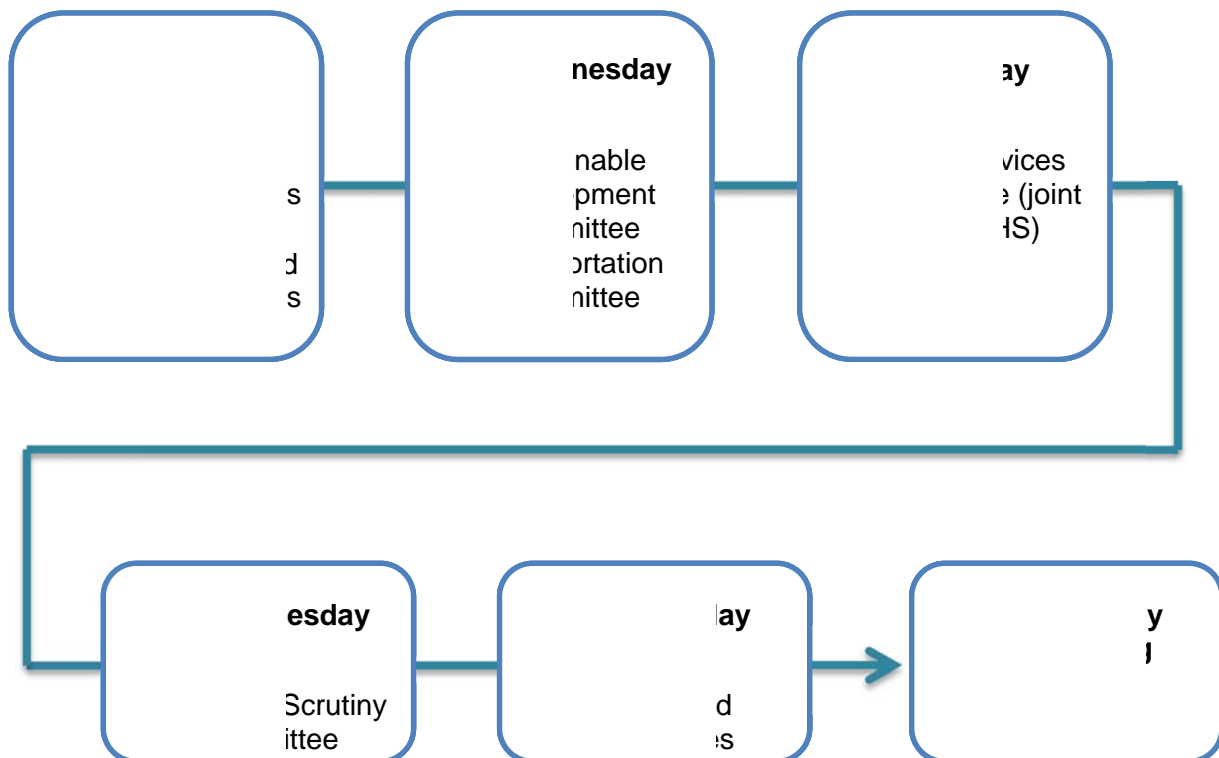
How effective are the Comhairle's management arrangements?

Governance and scrutiny

149. The comhairle's governance and scrutiny arrangements are sound. The comhairle is an independent council with no administration group instead adopting an issue by issue consensus based approach to decision-making. Governance arrangements are very inclusive and allow all elected members an opportunity to comment and scrutinise.

150. Committee cycles are organised over a fortnight (Exhibit 9) within a three month period. This keeps issues fresh in members' minds in addition to easing travel arrangements for some comhairle members. Members may attend all committees and have the opportunity to comment or ask questions, but only appointed members to committees may vote on matters. Service committees are held in the first week with the Audit and Scrutiny and Policy and Resources Committees in the second week. The fortnightly committee cycle ends with the full comhairle. The comhairle considers decision papers from all committees in the cycle. This provides members with an additional opportunity for question or comment on matters. These arrangements are providing thorough and effective scrutiny of all proposals and decisions.

Exhibit 9

Council committee cycle

Performance management

151. The 2006 Best Value audit highlighted the lack of robust performance management arrangements. Since then the comhairle has made only slow progress in developing an effective performance management framework which includes developing a performance culture, having integrated and effective processes to measure performance and demonstrating action and improvements. While the comhairle has introduced an electronic performance management system it has some way to go in embedding a performance management framework. It needs to sustain the progress it has recently made in this area.

152. An effective performance management culture exists in organisations where the use of performance management is one of the main means of identifying and achieving improvement, officers and members talk openly about improving performance and performance management is seen as part of the job. The comhairle's corporate improvement activity is not linked to its performance management system and agendas for CMTs do not routinely include items on corporate or departmental performance. The comhairle needs to develop an effective performance management culture as a matter of urgency.

153. The comhairle has recently introduced an electronic performance management system - Interplan. The targets and indicators used in the system are linked to service business plans and national outcomes. Links to SOA local outcomes and corporate priorities could be clearer and more explicit.

154. Elected members have an important role in ensuring a culture of performance management is instilled across the organisation by focusing on setting and monitoring performance effectively. Quarterly performance reports have been produced since late 2009 and are made available to elected members. Elected members find the reports, particularly the narrative, useful. Reports could however be more balanced in terms of highlighting areas for improvement as well as the positive messages. Performance reports are currently considered by the Policy and Resources and Audit and Scrutiny Committees but not subject to scrutiny by Service Committees. To date there is limited evidence to indicate that the comhairle is using the system to inform decision-making or identify areas where action is required.

Appendix 1

The two BV Judgements

The Best Value audit provides two overall judgements on council performance. One assesses how well the council is performing and the other covers the council's prospects for improvement. The judgements are based on standard descriptors and the emboldened text indicates the audit assessment for Comhairle nan Eilean Siar.

How good is my council's overall performance?	Unsatisfactory	Satisfactory	Good	Outstanding
Improving outcomes and addressing complex cross-cutting issues with partners	The council has a poor track record in delivering improved outcomes for the area with its partners, and addressing key cross-cutting issues such as community safety, health improvement, equalities, and sustainability.	Progress towards key strategic outcomes is mixed, with improved progress required in a number of important outcome areas. **Systematic evidence of the impact of partnership working is not available.**	Consistent **progress is being made towards** the majority of **key strategic outcomes. However, some improvements are still required in a number of outcome areas** and there is scope to further align partnership working with key strategic priorities.	The council is able to consistently demonstrate considerable success in delivering complex cross-cutting strategic local issues and improving outcomes with partners. Consistent progress is being made towards almost all key strategic outcomes. Limited improvements are required.
The quality of local service	The overall quality of council services is consistently below the national average. Many services, including one or more key services (education, social work, or housing) require significant or urgent improvement.	*Overall service performance is mixed. Whilst some services are performing well several services, or significant aspects of services, require important improvements to be achieved.*	***Many council services are performing consistently well*** and demonstrating continuous improvement. ***Whilst some further improvements are required, all key services are performing well.***	Most of the council services are recognised as performing at the highest level. All key services can demonstrate strong and consistent improvement.
The views of citizens and service users	Overall satisfaction with the council and its services is consistently below the	Overall satisfaction with the council and its services is mixed, with a significant number of	Overall satisfaction with the council and its services is generally above the national	Overall satisfaction with the council and its services is consistently above the national average for most aspects

How good is my council's overall performance?	Unsatisfactory	Satisfactory	Good	Outstanding
	national average. Overall satisfaction trends are static or falling. Arrangements for consulting with local people and users of services are patchy and underdeveloped and the council cannot demonstrate that consultation is influencing decision-making and service improvement.	services, or important aspects of services, below the national average. Overall satisfaction trends are improving slowly. *The council has introduced arrangements for consulting with local people and users of services but these are not applied consistently throughout the organisation.* Whilst there are some examples of this 'making a difference' within departments systematic evidence of impact is not yet available.	average, with overall satisfaction trends that are improving well. Arrangements for consulting with local people and users of services are well developed. There is good evidence that consultation and engagement is taken seriously across the organisation with good systematic evidence available on its impact.	of performance, with overall satisfaction trends that are improving quickly. The council has comprehensive and well coordinated arrangements for consulting with local people and users of services and is able to demonstrate that their views are influencing strategic priorities and shaping service improvements
The council's progress in delivering on its improvement agenda (including VFM)	There is limited evidence that the council knows where improvements are required and is able to secure improvement in service performance. *It cannot demonstrate improvement in VFM.*	*Whilst some services are improving the pace of change has been slow and the council has been unable to systematically transfer service improvements from one service to another* and secure systematic improvements in VFM.	The council knows where improvements are required and can demonstrate a systematic and effective approach to securing improvements across all services (including VFM). Improvements are implemented quickly, and with little slippage.	The council is able to demonstrate that it is effectively managing performance improvements in line with its strategic priorities, across services, and in partnership with others, and it can demonstrate systematic and significant improvement in VFM.

What are my council's prospects for future improvement	Poor prospects	Fair prospects	Good prospects	Excellent prospects
Leadership capacity and organisational commitment to change	The council does not have the leadership and management arrangements needed to deliver on its ambitions. Governance is weak and developing its political and managerial ability to tackle the council's problems is a key priority for the council.	*The council needs to improve its leadership and managerial impact to deliver on its ambitions.* There are some weaknesses in the governance arrangements and *it is unable to demonstrate that it currently has the organisational commitment and capacity to secure change and improved outcomes.*	*The council has effective political and managerial leadership supported by good governance arrangements.* It is committed to continuous improvement, focused on what matters to local people, and is securing improved outcomes.	The council has highly effective political and managerial leadership supported by strong and effective governance arrangements. It has ambitious plans for the areas and a strong focus on continuous improvement. It has the organisational commitment and capacity to secure change and improved outcomes.
Partnership working	The council has not yet established a shared vision for the area with its partners, supported by sound governance arrangements and the resources needed to deliver key priorities.	*Whilst the council has established a shared vision for the area with its partners, there is not a consistent sense of ownership from the partnership's leaders and improvements are needed in governance and resource alignment.*	Leaders of the partnership articulate a clear and *consistent shared vision and sense of purpose for the partnership* and the improvements it is trying to achieve for the area and effective governance and resource alignment arrangements are in place.	Leaders of the partnership actively promote and communicate the shared vision and sense of purpose of the partnership and the improvements it is trying to achieve for the area. They can demonstrate – and are committed to - ensuring that the shared vision for the area impacts on their own organisation and partnership activity.
Staff understanding of and commitment to improvement	*There is very limited staff understanding of and commitment to continuous improvement and the council's improvement agenda.*	*Staff understanding of and commitment to continuous improvement and the council's improvement agenda is developing.*	There is widespread staff understanding of and commitment to continuous improvement and the council's improvement agenda.	There is very strong staff understanding of and commitment to continuous improvement and the council's improvement agenda.
Effectiveness of resource planning and performance management (including	*The council lacks awareness of where it needs to make*	*Whilst the council is aware of where it needs to make improvements, it lacks a*	The council is aware of where it needs to make improvements, and has a	The council is aware of where it needs to make improvements, and has a systematic approach to

What are my council's prospects for future improvement	Poor prospects	Fair prospects	Good prospects	Excellent prospects
member scrutiny)	*improvements* and is not able to secure improvement in service performance as a consequence of ineffective performance management arrangements and weak scrutiny and challenge. Resources are not used to best effect.	*systematic approach to securing improvement*. Scrutiny and challenge is patchy. *The council lacks a systematic process for directing resources to key priority areas and securing improved VFM.*	systematic approach to securing improvement. *Scrutiny and challenge is well developed.* It has a systematic process for directing resources to key priority areas and securing improved VFM, but cannot yet demonstrate consistently improved outcomes.	securing improvement. Scrutiny and challenge is highly effective. The council has a systematic process for directing resources to key priority areas and can demonstrate consistently improved outcomes.